THE IRAQI REVOLUTION

ONE YEAR OF PROGRESS AND ACHIEVEMENT

14TH JULY CELEBRATIONS COMMITTEE

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PREFACE

This book is an abridged translation of the original Arabic version issued to mark the first anniversary of the 14th July Revolution.

Since publication of the original version, a number of additions and changes have taken place in the names and scopes of certain ministries and Governmental departments. These changes are as follows:

The Ministry of Trade replaces the Ministry of Economics.

The Ministry of Industry replaces the Directorate General of Industry, and the Third Technical Section.

The Ministry of Oil replaces the Oil Refineries Administration, and the General Committee of Oil Affairs.

The Ministry of Agrarian Reform replaces the Directorate General of Agrarian Reform, and the Application of Agrarian Reform Law.

The Ministry of Works and Housing replaces the Fifth Technical Section, and the Directorate General of Building.

It has been found necessary to employ a number of Arabic words for which no exact equivalent exists in English. Brief explanations of these words are given in the Glossary.

Staff Brigadier Ali Ghalib Aziz
Head of the Committee of the
14th July Celebrations

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INTRODUCTION

DURING World War II, the capitalist bloc formed a united front with the socialist bloc against the major danger of Italian and German fascism, which was threatening democracy itself with extinction.

After the war was won, however, the imperialist countries realised that they had overdone their pacts and promises and had given enough democratic freedom to colonized countries to threaten their own interests and influences; therefore, they began to go back on their promises. Subjected countries fought gallantly to defend their rights, some winning their battles with the aid of socialist states, which found it their duty to keep their promises, and to stand beside all countries fighting for freedom and independence.

Syria and Lebanon, which were under the direct influence of France, regained their independence, as did Egypt after the July 23rd coup d'etat under the leadership of Mohammed Najib.

Iraq began its fight to keep the partial rights which it obtained during the war, and to ask for the formation of a national democratic government, quite independent of all foreign influences. All political parties, both left and right wing, joined in the fight, whilst the imperalist forces, under the leadership of Nuri As-Sa'id, carried out a counterattack, and began to take back all the minor democratic gains one after the other, and deal heavy blows against the best and most persistent struggles. Sometimes, the people attacked; sometimes, they staged a planned withdrawal.

When Nuri As-Sa'id created the Police Intelligence System and terrorised all citizens, patriotic forces started to work in secret. Tension between the government and the people grew to a maximum and this tension was often released by demonstrations and similar activities, as was clearly seen during the Port Said events in 1956. Nuri As-Sa'id never forgot the army, and realised that the real danger to himself always lay there. He strengthened his intelligence and tightened his close watch over all suspected elements, and was careful not to involve the army in any fight against the people.

The tyrants of the old regime realised that the army could not be isolated from the general public, and it was fortunate that class discrimination was not known when the army was formed, otherwise the Military College might have been set aside for the higher classes. Nuri As-Sa'id was well aware that these fabrications and lies could not be swallowed by any army officer, even if some civilians believed them. His clique of officers knew well that he had completely yielded to imperialism. This led to the army being completely disarmed and all arms and ammunition stores placed in "trusted" hands.

All the people realised this, and so did the socialist bloc. Imperialism was content that it had such a "genius" in the person of Nuri As-Sa'id, who went ahead making treaties, pacts and alliances, yielding completely to the whims of his masters.

Various secret movements began to stir in the army—secret because the penalty of fighting against imperialism was death.

People began to despair, but a few had faith in the genius of the Iraqi individual. Those were confident that a revolution must take place, but as to how or when, they knew not. To encourage themselves, they supported Gamal Abdul-Nasser to express their disgust with Nuri As-Sa'id, but they continued to ask: "Is there not a wise man in our army?"

When the Revolution took place, imperialism was shocked, and free people everywhere were delighted and amazed at the turn of events. Iraq awoke on the morning of July 14th, 1958, to find itself a free nation. The personalities of the palace and the leader of imperialism had no time to investigate what had happened, or how, as "the catastrophe" had carried them to another world. Perhaps they are now exchanging blames!!

It was a sight unique in the history of Iraq, when the people went out into the streets dancing with joy and happiness at the Revolution. One may wonder how the people, in the middle of such joy, never thought of the possibility that the new authority might turn out to be another tyranny, or that imperialism might carry out a unified offensive to murder the newly born republic. They were certain of the sincerity and honesty of the new power after they witnessed its prompt action against the palace and Nuri As-Sa'id. The leader, who created such an inspired action, indicated clearly that he had no intention of a compromise with the powers he had overthrown. He indicated clearly the general policy of the Republic in Notification No. 1, which has beome a guide from which the Revolution has never deviated. The Notification reads as follows:

Notification No. 1, Issued by the Commander-in-Chief, National Armed Forces

In the Name of God the Beneficent, the Merciful.

By the help of God and the assistance of the sincere people of Iraq and members of the National Armed Forces, we have undertaken to liberate our dear Country from the domination of the corrupt clique installed by imperialism to rule over the people and to play with its destiny for the rulers' personal interests and advantages.

Brothers:

The army is from you and for you. It has achieved what you desire and eliminated the tyrants who played with the rights of the people. You need only support the army, and know that victory cannot be achieved without consolidating it and protecting it from the conspiracies of imperialism and its agents. We therefore ask you to inform the authorities of every corrupt, harmful and traitorous element, so that they may be eliminated. We require you to stand united in uprooting these elements and overcoming their evils.

Citizens:

Whilst we appreciate your patriotic spirit and wonderful achievements, we ask you to be calm and orderly, and to co-operate in productive work for the benefit of the country.

People:

We have sworn to sacrifice our blood and everything we hold dear for your sake. Be sure and confident, therefore, that we shall continue working for you. The rule must be entrusted to a government emanating from the people and inspired by them. This cannot be achieved except by the formation of a popular republic adhering to complete Iraqi unity, and linked by brotherly ties with the Arab and Moslem states. The Republic will act in accordance with the United Nations Charter, and the principles of the Bandung Conference, and will abide by all pledges and pacts consistent with the interests of the country. As from now, the National Government will be called the Republic of Iraq. In accordance with the wishes of the people we have temporarily entrusted its presidency to a Sovereignty Council enjoying all the powers of the President of the Republic, until a plebiscite is carried out for the election of a President.

We pray to God, the omnipotent and omniscient, that He may grant us success in our work for the service of our dear country.

Baghdad, on the 26th day of Dhe Al-Hijjah, 1377 H, corresponding to July 14th 1958.

Commander-in-Chief,
National Armed Forces.

This historic document was written by the leader of the Revolution himself. It marks clearly the ideals and objectives of the Revolution, and outlines the internal and external policies of the Republic. The outstanding points of the Notification are:

1. The army is an integral part of the people.

2. The people are called on to fight actively against imperialism through unity and co-operation.

3. It called for calm, constructive work.

4. Rule emanates from the people and according to the will of the people without discrimination.

5. The Republic of Iraq is a popular republic, which upholds Arab unity and co-operates with Moslem states and all the states of the world on the basis of equality.

One of the first actions of the revolutionary Government was to release political prisoners, and restore the full rights of those exiled. The Government granted full freedom to meetings, publishing, expression and organisation, without waiting for new laws to be passed or for the old laws to be rectified. It thus practically recognised all the legal constitutional rights which the old regime had wiped out.

The personality of the leader of the Revolution appeared closely linked with all events. Despite his modesty and his refusal to indicate, even indirectly, that he is the sole leader, organiser and planner of the Revolution, people immediately discovered that Abdul Karim Qassim possessed unique characteristics, and a deep understanding of history and of contemporary international policy and that he was a skilful organiser of extensive reform plans.

A man accomplishing a hazardous task such as this and carrying it through successfully without claiming credit for himself, and without attempting to acquire absolute power, is a man worthy of attention, respect, love and admiration. It is noteworthy that these characeristics are not assumed, but are genuine and original. Abdul Karim Qassim is quiet and reticent, and has a far-reaching foresight and excellent judgment. He is employing all these qualities for the service of his country.

Above all, he realises the desire of the Iraqi people for advancement and rapid development, and he therefore started his programme of "a revolution of a month", which produced such magnificent achievements as the declaration of the Interim Constitution; the declaration of the Republic of Iraq; the returning of all powers to the people; confiscation of the property of the royal family; the withdrawal from the Hashimite Federation with Jordan; the declaration of a law for the compensation of the persecuted; the declaration of a firm policy in oil affairs; the resumption of relations with the U.S.S.R. and the Socialist Republics; the cancellation of the Tribal Law; the purging of government machinery; the promulgation of the Popular Resistance Law; the reduction of house rentals; the improvement of salaries; the declaration of the law concerning Illegal Earnings at the Expense of the People; the withdrawal from the Baghdad Pact, from the Eisenhower Doctrine and from the Sterling Area; and the participation of women in the government.

The trial of certain of the old regime personalities by one of the greatest and most unusual courts in history was begun. The people began to exercise the authority of judgment, side by side with the military judges of the court, of those who had played with its destiny for over a century.

The path of the Revolution was not free from trouble, however, and the Al-Ba'ath Party began to call for an immediate merger with the United Arab Republic. This call was adopted by Abdul Salam Arif, and he began to tour Iraq propagating the idea. Abdul Karim Qassim realised that such a merger was not the wish of the people and that they preferred instead a decentralised federation based on free co-operation, and abhorred the idea of being dominated by anybody. At the end, Abdul Karim Qassim was forced to detain those calling for an unqualified merger, after it was evident that the people were about to explode against them. Some troublemakers wanted to provoke the Kurds against the Revolution and its leader, but the recognition by Abdul Karim Qassim of all the rights of the Kurds caused this attempt to fail.

In actual fact, the Revolution did not have to spend too much effort in overcoming the hurdles placed in its way, as the initial momentum of the movement and the wise guidance of its leader were enough to pave the way and overcome the difficulties and avoid the traps. The Revolution forged ahead, and some of the achievements during the first year of its life are detailed in this book.

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These achievements are but a minute fraction of the potentialities of the Iraqi people. The wealth of the country is immense. It possesses two of the greatest rivers in the world, and the fertile land floats on a sea of oil, the "black gold" of modern times, and the most valuable commodity of today's civilisation. There is mineral wealth everywhere, and a wealth of history in every hill, testifying to the most ancient and advanced civilisation in the world.

So long as Iraq is safeguarded from outside aggression through a wise peaceful policy and a strong defence force, and so long as justice and a fair distribution of industrial and agricultural wealth prevail, there can be no doubt that the Republic will attain a very advanced degree of development and prosperity. This will be of the greatest assistance to the Arab world in realising its ambition of independence and unity. The requirements for such achievements are included in the programme of Abdul Karim Qassim.

Iraq will not build its greatness on the misery of its people or of its brothers in race or humanity. Iraq is essentially a peace-loving country, and by peace it will realise its dreams.

The leader was quick to realise the attempts being made inside and outside the country to sew disunity through party political strife and dissension. He therefore called on all parties to restrict their activities to those which could serve the defence of the Republic and the strengthening of its foundations until the end of the transitional period. The parties themselves realised the danger and promptly responded to the Prime Minister's call.

The leadership of Abdul Karim Qassim has proved to be unique and unmatched, and the next few years will see phenomenal development and advancement in Iraq. This book is but a guide to indicate the road of the Revolution.

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THE ARMY

"INTERNAL revolutions" took place in army departments, directorates and various organisations, as was the case in other ministries and government departments, abolishing the corrupt system imposed by the old regime. All matters were tackled in such a way as to meet the requirements of the Revolution and to preserve its gains and achievements.

The great Iraqi army had always stood against the despots and had never subjugated itself to the whims of the imperialist. It had suffered greatly from the dark rule of the old regime; its armament and supplies were meagre, its training was inefficient, its education was lacking and generally it was not given due care and attention.

Yet, due to its iron determination, and due to the unity and confidence among its officers and men, the army, which was almost unarmed, was capable of its mighty Revolution, and in a few hours, destroyed the old monarchical regime and established a firm democratic republican rule.

The army prides itself now on being fully equipped and provided with modern arms and ammunitions, and is ready to defend the Republic. In co-operation with other government departments, it is fully prepared to safeguard the gains of the Revolution.

THE ARMY IN THE SERVICE OF THE PEOPLE

THE July 14th Revolution occurred when the armed forces under the leadership of Major-General Abdul Karim Qassim demolished the old regime and restored the usurped rule to the people, who, for a long time had been subjected to oppression and thraldom.

Addressing the people, Leader Abdul Karim Qassim said "I pledge before God that all our actions will emanate from the will of the people for serving the Republic of Iraq and the Arab nation."

Leader Abdul Karim Qassim called the reforms carried out to improve the internal conditions in Iraq "internal revolutions". Many such internal revolutions took place in the Ministry of Defence, all aimed at introducing various reforms in the Ministry.

The Army had always stood firm against tyranny and supported the people in their revolutions and uprisings, despite the attempts of the old regime to use it in quelling all popular movements. It had always believed in the rights of the people and endeavoured to preserve these rights. The rulers of the old regime attempted, by various means, to isolate the army from the people, but it stayed the same integral force, defending the people and their rights. As a result, on July 14th, 1958, the army dealt its final blow to the old regime and restored justice to all.

The army will always be the army of the people, and will always work for the people.

RECRUITING AND ENLISTING IN THE ARMY

SINCE the formation of the army, enlistment was limited to volunteers only. The rulers of the old regime, backed by imperialism, thus ensured that the personnel of the army was picked from elements easily controlled, and ensured that the army remained weak and small, and easy to resist should it attempt to carry out a movement for the liberation of the country.

However, public demand, and the persistence of patriotic citizens, forced the rulers to legislate the National Defence Law, which provides for compulsory recruiting on a national service basis. This law however, was met by strong opposition from the trusteeship authorities, the personalities of the palace, and feudalists. Under this pressure, the governments of the old regime hurriedly legislated the Law of Relative Conscription, which met the wishes of feudalists but was against the principle of social justice.

Reactionary and feudalist forces costrolled the procedure of enforcing the National Defence Law, and hindered its execution. They encouraged deserters not to return to military service, and provided them with legal excuses, such as exemption, deferment, health and family reasons.

No wonder, then, that most patriotic citizens were not keen to join the army, as they considered it a means of protecting the corrupt royal family, and a tool in the hands of imperialists employed in their aggressive pacts, alliances and treaties.

The army, however, regained the confidence of the people when it carried out its successful Revolution. Vast numbers of the public applied enthusiastically to join the army, and officers in recruiting centres were kept busy day and night to finalise the formalities for sending applicants for training. After a while, however, all training centres were full to their capacity, and all applications had to be deferred. This persistent desire of the people to enter military service clearly reflects their sincere intention and solid determination to serve their newly born Republic.

The National Defence Law is now being amended to meet the spirit and objectives of the republican era.

837174

ARMAMENT AND EQUIPMENT

THE Ministry of Defence during the old regime depended first and foremost on official and unofficial British quarters for its armament and equipment, and purchases from these quarters reached 98 per cent of the total allocated sums. Excessive prices were charged, and no one had the right to object. Conditions and terms were arbitrarily imposed, and they included such terms as payment of an 80 per cent deposit before shipping the order. Sometimes, after finalising the contract and paying the 80 per cent deposit, new and higher prices were imposed, exploiting in this the urgent need for the items to be purchased and the treaties and protocols tying Iraq to Britain. In some cases, delivery was delayed such a long time that the equipment in the contract became obsolete. In other cases, the equipment delivered turned out to be used, contrary to the contract.

British quarters even controlled the supply plan, and many orders were divided into separate parts, each supplied by a different firm; thus the orders were not completed unless the last shipment arrived. Even worse, was the fact that these quarters controlled the supply of spares and accessories, and often supplied arms without ammunition and machinery without spares. All this was to increase Iraq's dependence and to exploit its wealth in what was, in fact, worthless purchases.

United States aid was very limited, and 90 per cent of the equipment supplied was used and virtually worn out, except, perhaps, the top layer of paint, which was the only new thing about the equipment. Almost all the arms supplied were obsolete and even those were sent without ammunition and spares.

In addition, aid supplied under the Joint Security Pact was conditional, and arms thus supplied could not be used, even against Israel.

After the July 14th Revolution, the Ministry of Defence freed itself from this imposed control. Arm supplies are being properly chosen and purchases made from all the markets of the world.

The Ministry of Defence contacted various firms and official quarters in different countries, especially socialist countries, to submit their offers for careful study by a special committee before deciding where the arms are to be purchased.

Now, barely a year after the Revolution, the Iraqi army is fully equipped with the most modern and up-to-date arms and equipment to a standard not attained by any neighbouring country. It is now able to repel any aggression or attack. The confidence of the soldier in his weapons, which was lacking previously, is now restored. The soldier knows very well that the weapon he carries is the most up-to-date, and is unmatched and unpossessed by his foes.

TRAINING AND EDUCATION IN THE ARMY

DUE to the vast expansion of the army and the variety of the new arms supplied to it recently, great attention is paid to providing the officers and men with training courses on the use of arms.

Many such courses were started in military schools on the use of light, supporting and heavy weapons. Progress was remarkable, because of the simplicity and ease of use of the modern arms now being supplied to the army. In addition to this, various training missions are sent to socialist countries to study up-to-date military science and techniques.

DEVELOPMENT AND HOUSING IN THE ARMY

THE army suffered from the same corruption as that of the Development Board, and allocations for housing and construction were ill-used and squandered on useless projects. Contracts were manipulated and awarded to undeserving tenderers, and major contracts were monopolised by foreign companies exploiting the wealth of the country. The story of the British contracting firm of Cubitts-Reema is still too fresh to be forgotten, and it was but one of many similar stories. This British firm, which possessed no capital, came to steal the money allotted for constrsuction in the army. The cost of a sleeping hall of eighty soldiers capacity built by Cubitts-Reema was over ID. 12,000 and the terms of the contract signed with the company by the rulers of the old regime were illogical. The company collected its net profits in London banks, all income tax being paid by the Ministry of Defence. In addition to this, the Ministry paid all foreign exchange charges and the wages of surveyors and provided the company with machinery, hoists and cars to be used for the duration of the work. Also, the Ministry paid the company an interest-free loan of ID. 80,000 on signing the contract and continued to pay monthly advances at the rate of ID. 10,000 to cover estimated expenditures. As a result of this, a poor British company, having no capital, was financed by the Ministry of Defence to build halls at a cost of nearly double that of brick halls, which were proved to possess all health requirements and which sustain all weather changes.

Such a state of affairs could not be tolerated after the Revolution. National wealth is kept inside the country and is prevented from infiltrating abroad by giving preference to Iraqi contracting companies against foreign contracting companies. Buildings are designed with locally manufactured materials, such as bricks, plaster and cement.

The new installations can be easily and cheaply expanded and maintained, and can sustain the extreme weather changes experienced in Iraq. Priority is given to the accommodation of newly formed units of the army, and to the housing of married officers and men of the army. Other public and recreational installations are not neglected, and various markets, clubs, swimming pools and cinemas are planned in army residential areas. In addition, various health installations, such as hospitals, X-ray clinics, operating theatres, etc., are under construction. Other schemes such as the metalling of roads, the building of modern bakeries, and the expansion of the electricity network and drinking water supply are well on the way.

In total, contracts of over ID. 2 million have been advertised since July 14th, 1958. Most of these contracts have been awarded and construction work is progressing very quickly.

HEALTH AND MEDICAL TREATMENT IN THE ARMY

THE old regime contributed largely to the backwardness of medical treatment in the army, for medical equipment and instruments were not available and treatment facilities were lacking.

After the Revolution, agreements were reached to build a fully equipped 1,000-bed hospital in Rashid Camp, and a complete X-ray ward in Rashid Military Hospital. Other military hospitals were built in Mosul, Kirkuk, Jaloula, Mansur and Sa'd Camp. A ward and a fully equipped operating theatre were opened in Rashid Camp. It was also decided to start training courses for military doctors. Other similar courses are to be started for dressers and nurses.

Many students are admitted to the medical college, dental college, health officers school, nursing and mid-wifery school to study at the expense of the Ministry of Defence.

Missions of doctors will be sent abroad to specialize in the different surgical and medical fields and radiological treatment.

LAWS AND REGULATIONS IN THE ARMY

ARMY laws and regulations were harsh and aggressive during the old regime, and had adverse psychological effects on the officers and men, who, nevertheless, bore them well, and were not deterred by their harshness to go ahead and achieve their plans of the Revolution.

Immediately after the Revolution, all these laws and regulations were reviewed by the quarters concerned, and many were amended to be consistent with the spirit and objectives of the Revolution. The penalty of whipping was discontinued and steps were taken to discontinue the Relative Conscription Law. The Law of the Service of Officers, (No. 89 of 1958) was legislated and so was the Military Pension Law (No. 5 of 1959). A new bill for the Reserve Service Law was drafted in accordance with the objectives of the Revolution and in co-operation between the Ministry of Defence and other ministries. The salaries of officers and men were increased, as were grade allowances.

The Law for the Administration of Army Martyrs Fund (No. 77 of 1959) was passed. According to this law, an administration was formed to supply the army and other government organisations with all their requirements of woollen textiles, including fabrics, blankets and other provisions manufactured at the factories of the Administration which is managed by a directors board, consisting of four officers and a representative of the Ministry of Finance. The profits of this organisation go to the benefit of the families of Army Martyrs.

The Change-over from an Economy Subjected to Imperialism and Feudalism To a National Economy Heading Towards Prosperity and Liberation

IRAQ'S economy was, until the July 14th Revolution, subjected to the influence of international imperialism and local feudalism. The most important sector of Iraq's economy, oil, was under the influence of the major foreign oil companies which were completely independent of local economy, except for the dues paid to the government.

This dependence and the feudalism which impoverished the majority of the people, were responsible for the backwardness and under-development of the country manifested in the low income and its uneven distribution. They also caused the sharp difference between the economy's two major sectors: the foreign, represented by an advanced industry which used up-to-date methods of production and all the other capitalist facilities; and the local, manifested in a backward agriculture and an industry weak in all its aspects.

The interests of imperialism and feudalism demanded that oil dues be spent on projects serving, in the main, the big land-owners, disregarding the interests of the masses of the people and the middle class. The government of the old regime, allocated. in the First Development Programme (1951-1955) and in the Second (1956-1960) three quarters of the money allocated for these two programmes (ID. 655,000,-000) to flood control schemes, irrigation, drainage, roads, communications, bridges and buildings.

These spendings, despite their uneven distribution and waste, tended to help the national bourgeoisie through creating the market necessary for local economic development. But the government of the old regime, whose policy was inspired by foreign interests, nipped in the bud even this indirect tendency which aimed at the service of the Iraqi middle class interests, through causing the national market to be flooded by foreign goods. As a result, local industry was unable to flourish. Consequently, the spendings, especially

those on development, never encouraged local production. Instead, they caused a rise in imports and a fall in exports, which resulted in enormous profits to foreign companies exporting their goods to Iraq. Other beneficiaries were the majority of the foreign contracting and consultant companies working for the Development Board, and a limited number of local sub-contractors.

The feudal ruling class became excessively wealthy through the Development spendings which raised land prices and led to speculation in towns. The ruling class also supplied its lands with abundant water free of charge, exempted itself from land taxes, and fraudulently manipulated other taxes to avoid paying them. As a result, the government revenue was collected from the masses of the people in the form of indirect taxes. This excessive wealth more than ever widened the gulf between the incomes of the rich and the poor, isolated the government from the people, and paved the way for the success of the July 14th Revolution.

The Government perceived, from the very first days of the Revolution, that it had inherited an economy subjected to imperialism and feudalism. Consequently, the Government worked towards securing the necessary conditions to continue and increase oil production, since oil is one of the basic conditions for the progress of national economy and the success of the Revolution. It thus began to enforce, in letter and spirit, the oil convention concluded with companies working in Iraq. The Revolutionary Government also legislated the Agrarian Reform Law to abolish feudalism, reviewed the Development Board Programme, encouraged state-owned and private industries and enforced foreign companies' contracts working for the Development Board, thus securing the Government's interests. The Government also began gradually to dispense with companies whose presence in the country was either detrimental or unnecessary.

The Government encouraged the industrial movement in the Republic of Iraq through protecting the budding national industries from foreign competition, and also lifted the imperialist restrictions on trade policy by limiting the import of luxuries, and by directing state and private capital towards industry. This trade policy led, for the first time since World War II, to an increase in exports and a decrease in imports, thus decreasing the chronic deficit in the trade balance.

At the same time the Revolutionary Government diminished the financial burdens which weighed upon the people;

it confiscated the property of the royal family, sequestrated the property of the ruling class of the old regime and offered banking facilities to Iraqi merchants and industrialists through banning financial privileges enjoyed by foreign companies operating in Iraq. The Government also announced its withdrawal from the Sterling area, and freed the Iraqi Sterling balances held in the Bank of England.

To avoid unemployment, which usually follows revolutions as a result of the change-over of economy from certain types of investment to others, the Government of the Revolution encouraged construction, especially housing schemes, which were spread over the different parts of the country; a fact that changed the distribution of labour which was usually concentrated in the main cities and towns. Thus the Government offered loans to the municipalities to encourage such basic projects as water supply schemes, expanding electrical networks, building of main roads within the boundaries of municipalities and constructing governmental buildings. In guarding against the economic disorder which prevailed over the country before the July 14th Revolution, the Government adopted the principle of economic planning and established the Ministry and Board of Planning. The Government is, at present, drafting two plans: one, a short-term economic plan, including the economic schemes, both state-owned and private, which could be achieved during a maximum period of three years, inclusive of the projects provided for in the Economic and Technical Co-operation Agreement concluded between the Republic of Iraq and the Soviet Union. The second plan is a long-term one that aims at developing the national wealth in the light of the geological, mineral and agricultural surveys that the Government has decided to undertake.

EXECUTIVE POWER LAW

The Government has also promulgated the Executive Power Law which aims at reforming the executive machinery through removing duality in functions, and classifying the departments according to their specialization. As a result, the following Ministries were formed: the Ministry of Oil; the Ministry of Industry; the Ministry of Agrarian Reform; the Ministry of Works and Housing and the Ministry of Municipalities.

AGRICULTURE AND AGRARIAN REFORM

ALTHOUGH the imperialist-feudal plan was to keep Iraq agricultural, and despite the great resources of land and water available for such a plan, agriculture remained backward in terms of productivity per man or output per donum, it was technically underdeveloped; so much so, that the majority of people whose welfare depended on agriculture (about 4,500,000 or more than 70 per cent. of the population) experienced great hardships and were either totally, partially or seasonally unemployed. Unemployment was estimated to be about 40 per cent. of the agricultural population, all those idle being workers in the productive age group.

The backwardness is clearly reflected in the fact that out of the 48,000,000 donums of arable land, only about 10,000,000 donums were actually planted. This area cannot be increased unless many improvements are introduced in irrigation and drainage, methods of agricultural production, mechanization, and the introduction of the system of rotation of crops, seed selection and use of chemical fertilizers. All these improvements cannot be completed without the social relations being improved by eliminating the feudal system.

Shortly after the Revolution, the Agrarian Reform Law was promulgated. On the 30th September, 1958, Prime Minister Abdul Karim Qassim gave the news in an announcement in which he declared:

"As I announce the birth of the Agrarian Reform Law, I register with pride the end of feudalism in Iraq, and the start of an era of prosperity for all people. I see it as my duty to emphasize that I and the Government of the Revolution will be on the alert for anybody who intends to hinder our progress towards attaining the objectives of the Revolution, or tries to mar its aims, because the Revolution is greater than any attempt to oppose its reforms, and because the people, from whose will the Revolution emanated, is mightier than any single individual. The welfare of the community is above personal interests."

The Agrarian Reform Law treated the problem of feudalism in four sections, of which the two principle ones are dealt with below.

The Limitation of Agricultural Ownership. This section provided that the maximum area of agricultural land should not exceed 1,000 donums of land irrigated by flow or lift, or 2,000 donums irrigated by rainfall, so that one donum of the former is equivalent to two donums of the latter for limitation purposes. The landowner can keep this maximum limit as his own property.

Item 2 of the Law compels all landowners with properties exceeding this limit to submit a full report to the Higher Committee of Agrarian Reform. The Committee then publishes the names of those subject to the law according to their reports or to other information sustained by the investigations of the Committee. The stages of enforcing the Agrarian Reform Law are:

(a) Requisition.

(b) Distribution.

(c) Temporary Management.

(a)—Requisition:

1. Land announced for requisitioning so far is about 5,000,000 donums.
2. Lists of lands actually requisitioned amount to about 3,000,000 donums.
3. Areas expected to be subject to the law amount about 8,000,000 donums.

Number of feudalists whose land had been announced for requisitioning was 451 on the 12th May, 1959. Also requisitioned were 75 pumping sets.

(b)—Distribution:

More than 3,000 donums of state-owned land, used as orchards, in Husainia/Kerbala Liwa have been distributed to 202 people who have the right to plant it.

State land, plus requisitioned land, is distributed in plots of between 30 and 60 donums of land irrigated by flow or lift, and between 60 and 120 donums of land irrigated by rainfall. Plots having areas less than the minimum mentioned above may also be distributed on the discretion of the Higher Committee.

Persons eligible to receive distributed land must fulfil the following conditions:

1. An Iraqi National, having reached the age of majority.
2. Agriculture must be his profession.
3. His property must be less than 60 donums, irrigated by flow or lift, or less thas 120 donums irrigated by rainfall.

When distributing land, priority is given to whoever was planting the land, whether he be a tenant, a partner, or a grower. Then it is allocated according to the size of family supported by the farmer, to his relative need, and to whether he lives in the district or not. Land so distributed cannot be taken back.

The percentages of crop distribution between the owners of these plots and their farmers are fixed as follows:

	Flow irrigation	Rainfall irrigation	Lift irrigation
Water supply	10%	10%	10%
Irrigation	10%	20%	Nil
Farmer's labour and seeds	50%	40%	50%
Ploughing	5%	5%	10%
Harvesting and collection of crops	10%	10%	15%
Management	15%	15%	15%

(c)—Temporary Management and Lease of Land.

Except for a small part, land in Amara Liwa is state-owned and was leased in the form of large estates to feudalists for periods not exceeding three years. The last such contract came to its legal end on March 31st, 1958, thus ending all legal relations of feudalists with the land they leased. So far, 80,260 donums of this land have been leased to 14,000 tenants. Contracts for the remaining part of this land are being negotiated. In Kut Liwa, state-owned land was leased to feudalists against a negligible sum, which was never paid but left to accumulate and then written off as a bad debt. During the first year of the life of the Republic 175,250 donums were leased to 3,010 persons on contract basis. This area represents all the land previously exploited by Mohammed Alhabib Al-Amir. Other requisitioned land is also being leased.

In Qurna, two estates having an area of 1,871 donums were leased. On the decision of the Higher Committee of Agr-

arian Reform, some areas of requisitioned land are set aside for enlarging towns (as in the case of Hay and Numania) and also for the building of model villages in all parts of Iraq's countryside.

In many other parts of the country, lists of land for distribution are nearly completed, and in others social studies of candidate tenants are well on the way and classification according to priority is almost ready. Before long many more plots will be distributed to eligible applicants.

Another step forward was the division of the crop between the farmer and the landowner. Before the Revolution, the farmer received 30 per cent. as his share. After the Revolution, and before declaring the Reform Law, this ratio was raised to 50 per cent. in accordance with a decree passed in 1954 but not enforced until the Revolution. The Reform Law, however, cancelled this decree and stated that the minimum farmer's share is 50 per cent. If the contract between the farmer and the landowner gives the farmer more than 50 per cent., the higher percentage is applicable.

Section II of the Agrarian Reform Law discusses the formation of Agricultural Co-operative Societies, whose members benefitted from the distribution of land. The societies have the following duties:

1. To obtain agricultural loans. These loans are given in proportion to the size of land owned by members of each society.
2. To provide what the growers need in seeds, fertilizers, cattle, pumps, machinery and storage facilities.
3. To make the best use of the land by the proper choice of seeds, the best grading of crops, combatting larvae and insects, and constructing irrigation and drainage canals.
4. To sell the crops of the land and distribute profits amongst members, after deducting all loans and expenses.
5. To undertake the agricultural and social services required by the members.

Various governmental departments are working towards achieving better technical efficiency in Iraq's agriculture. The following is a brief summary of the duties of each of these departments.

(1) THE FOURTH TECHNICAL SECTION IN THE MINISTRY OF DEVELOPMENT

The fundamental aim of this section is to develop agriculture by raising the standard of production and encourag-

ing the Iraqi peasant to adopt agricultural methods that tend to increase and improve his production and protect his plants from disease.

(2) DIRECTORATE GENERAL OF AGRICULTURE

This Directorate has been working towards raising the standard of agricultural production, and educating the peasant through agricultural guidance and direction, to make him aware of modern agricultural methods. The Directorate includes many sections and branches, all of which co-operate in raising the standard of agriculture in the country.

The Directorate General of Agriculture also possesses many model farms and plant nurseries in different parts of the country, to supply the farmers with good quality seeds and cuttings for transplanting choice fruits.

(3) DIRECTORATE GENERAL OF RESEARCH AND AGRICULTURAL PROJECTS.

This Directorate conducts scientific research for the purpose of improving agricultural technique and method. The results of the research are given to the farmers and the establishments concerned. In addition, the Directorate undertakes the execution of some agricultural development projects.

(4) DIRECTORATE GENERAL OF SURVEY

This Directorate plans, prepares and prints maps for public use. It is responsible for supplying government offices with information concerning maps, surveying and other technical activities. The Directorate General of Surveys has opened an Institute of Surveying at Baghdad University, in which the period of study is two years after Secondary School.

Having enough technical potentialities and capabilities, the Directorate was able to replace the foreign consultant companies which used to monopolise the technical work. It will also establish "The Aerial Surveying Section" which will be ready to operate in early 1960, and officials were sent abroad for training and specialising. In addition, the Directorate has participated in carrying out the Agrarian Reform.

(5) DIRECTORATE GENERAL OF AGRICULTURAL MACHINERY AND IMPLEMENTS

The aim of this Directorate is to prepare technical workers for operating, maintaining and repairing all types of agricultural machinery and implements.

The Institute of Practical Training on Agricultural Machinery and Implements in Baghdad and an Institute for Training Machine Operators were founded for this purpose.

(6) DIRECTORATE GENERAL OF VETERINARY

This Directorate aims at protecting livestock, which total 18,000,000, from serious diseases, improving breeds and increasing products. It also endeavours to protect the people from the animal diseases which they might catch. The Directorate has planned the project of sheep dipping and combatting parasitic diseases and the project of combatting endemic animal diseases.

(7) THE DAIRY ADMINISTRATION

This Board established the Central Dairy Project in Abu Ghraib, which will go into production at the end of 1959. Farms specialised in raising animals and producing milk are expected to be formed after the Agrarian Reform Law is put into effect.

(8) DIRECTORATE GENERAL OF FORESTRY AND AFFORESTATION

The aims of this Directorate are to guarantee the production of different kinds of wood necessary for industrial, constructional and building purposes, and to plan decorative tree plantation and wind breaks.

The unification of all establishments concerned in irrigation, drainage and other agricultural affairs under the Ministry of Agrarian Reform is a great step forward in agricultural development in the Republic of Iraq. The execution of the Agrarian Reform Law will lead to the even distribution of Agricultural Products amongst the people, in such a way that it will improve their purchasing power which, in turn, will help expand the local market — a necessary condition for the success of industrialisation in Iraq.

The two major Directorates controlling all irrigation and drainage schemes are the Directorate General of Agriculture and the First Technical Section of the Development Board.

The Directorate General of Agriculture is directly responsible for securing the water necessary for irrigation, industry (i.e. power generation) and navigation. It is also responsible for promoting the breeding of fishes.

Its main duties are:

1. Administration and maintenance of existing water schemes.
2. Flood control.
3. Water storage and water level regulation.
4. Issuing licences for pumping sets. (There are at present 6,131 pumping sets in Iraq, totalling 220,300 horsepower).

The Directorate General of Agriculture undertook a number of projects during the first year of the Republic, the most important of which are:

(a) The Great Mussayab Project.
(b) The widening of Hilla and Daghara Rivers.
(c) Senka-Sir Project and the Sulaimaniyah Irrigation Scheme.
(d) Mishkhab Regulator.

Irrigation projects completed by the Development Board are handed over to the Directorate General of Agriculture.

At present, the Directorate General is investigating a number of drainage projects in Rumaitha, Shattra and Abu Graib, and is working on the construction of the second stage of the Great Mussayab drainage project.

The First Technical Section of the Development Board is responsible for the major irrigation and drainage projects. These projects are classified as under:

(a) **Projects inaugurated on July 14th, 1959.**

DOKAN DAM PROJECT

Dokan is a curved concrete dam on the Lesser Zab about 70 kilometres to the north east of Kirkuk. It has a height of 116.5 metres, a length of 360 metres and a capacity of 6.1 billion cubic metres. This project is designed for irrigation and flood control, and can be electrified to produce 200,000 kilowatts.

(b) **Projects started after the Revolution and still under study.**

1. **GHARRAF PROJECT:** This project consists of the Shattra Drainage Scheme, four regulators on the Gharraf, and an irrigation programme to reclaim and irrigate 740,000 metres of waste land, with a network of 2,500 kilometres of supply canals and 2,550 kilometres of drainage canals. The total cost of this project is about ID. 30,000,000.

2. **IS'HAQI PROJECT:** This is one of the Zab projects, capable of irrigating 424,000 donums. Cost ID. 7,110,000.

3. **AZIZIYAH PROJECT:** Consisting of two pumping stations supplying 4,000 mesharas of the Aziziyah Model Scheme.

4. **CENTRAL TIGRIS PROJECT:** The area of land that will be reclaimed by this project is 1,226,000 donums, most of which will be distributed in conformity with the Agrarian Reform Law. The project covers land extending from

the junction of Diyala and Tigris Rivers to Kut, and will cost ID. 18,754,000.

5. **UPPER EUPHRATES PROJECT:** This is estimated to cost ID. 35,000,000 and will have a capacity of 3 to 3.5 billion cubic metres. The location of the dam has not been fixed yet, but it will be near the Syrian frontier.

6. **DIYALA PROJECT:** This project is estimated at ID. 24,000,000 and is capable of irrigating 400,000 donums of waste land and giving extra facilities to irrigate 730,000 donums already supplied with water.

7. **CENTRAL DIYALA PROJECT (DIYALA AND KIRKUK LIWAS):** Costing ID. 6,000,000, this project will reclaim 50,000 donums and will give added irrigational facilities to 250,000 donums.

8. **LOWER DIYALA PROJECT (DIYALA LIWA):** Costing ID. 22,000,000, this project will reclaim 200,00 donums of land and give additional facilities to irrigate 1,200,000 donums. This will be achieved by flood control and improved irrigation and drainage.

PROJECTS UNDER CONSTRUCTION.

1. **DERBENDI-KHAN PROJECT:**

This is a dam 135 metres high, 450 metres long and 500 metres wide, built on Diyala River 250 kilometres to the north-east of Baghdad. Having a capacity of 3 billion cubic metres, it will serve for flood control and water storage. It will also produce 112,500 kilowatts of electric power, and will cost ID. 17,730,000.

2. **SHATT AL-MISHKHAB PROJECT:**

This is a seven gate regulator on the Euphrates. It will be completed in 1960 at a cost ID. 1,200,000.

3. **SINKA-SAR PROJECT:**

This project is complementary to the Dokan project. It consists of irrigation canals and water control schemes to irrigate land for the resettlement of people moved from villages flooded by the Dokan Project.

The following projects are still under study and investigation.

1. **ASKI-MOSUL PROJECT:**

This project requires the construction of a dam 100 metres high and 2,000 meters long on Duyaila River, plus a network of canals to irrigate over 1,000,000 donums of waste land in the neighbourhood of Mosul. Estimated cost is ID. 47,730,000.

2. KIRKUK IRRIGATION SCHEME:

This requires the construction of a dam north of Debis on the Lesser Zab and a canal with a discharge of 250 cubic metres per second to irrigate 1,500,000 donums of waste land in the region of Kirkuk.

3. NAHRAWAN PROJECT:

Costing about ID. 10,595,000, this project will irrigate 434,000 donums of the east banks of Diyala and Tigris Rivers.

4. AL-ADHAIM PROJECT:

This is estimated to irrigate 418,000 donums of waste land in central Iraq. Cost about ID. 600,000.

5. BAKHMA DAM PROJECT:

This concrete dam, 186 metres high, 850 metres long, will help in irrigation, power generation, and flood control. Situated on the Greater Zab, it will cost ID. 45,000,000 and will take five years to build.

6. KHAZER KOMEL PROJECT:

Irrigating the wide valley of the Khazer and Komel Rivers, 40 kilometres to the north-east of Mosul, this project consists of the Bakherman Dam, 0.375 billion cubic metre capacity, and the Khalikan Dam. Cost is estimated at ID. 6,544,000.

7. ZALEM KACHAN PROJECT:

Irrigating 26,000 donums, the project will provide arable land for the resettlement of farmers moved from villages to be flooded by the Derbendi-Khan Reservoir.

8. FATHA DAM PROJECT:

To be constructed on the Tigris, 240 kilometres north of Baghdad, the dam will have a capacity of 24 billion cubic metres. Studies and recommendations will be completed by the Soviet Technical Mission which will arrive soon.

DRAINAGE PROJECTS:

1. Projects completed on July 14th, 1959.
   (a) Mussayib Pumping Station.
2. Projects under construction, which started after the Revolution.
   (a) Lesser Shattra Drainage in Dijaila.
   (b) Diyala Drainage.
3. Project under study and started after the Revolution.
   (a) Subsidiary Shaakha Drainage — Dijaila.
4. Projects under construction and started before the Revolution.
   (a) The main drainage scheme in Shattra.
   (b) Two pumping stations (with pumping sets) in Mussayab.
   (c) Rumaitha Station pumping sets.

5. Projects under study and started before the Revolution.
   (a) Husainyah ben Hassan Drainage Scheme.
   (b) Pumping stations and pumping sets for Husainiyah ben Hassan drainage scheme.
   (c) Hillah — Kaft Drainage Scheme.
   (d) West Dujaila Drainage Scheme.
   (e) East Dujaila Subsidiary Drainage.
   (f) West Dujaila Drainage.
   (g) Hillah — Diwaniyah Drainage Scheme.
   (h) Nahrawan Drainage.
   (i) Diyalah and Central Tigris Drainage Schemes.
   (j) East Charraf Drainage.
   (k) Gharraf Extension Drainage.
6. Projects basically altered after the July 14th Revolution.

1. KIRKUK PROJECT:

The intention, before the Revolution, was to construct the Batma Dam on the Lesser Zab to divert the water to the Dokan Reservoir and irrigate a limited area in Kirkuk and Howaija. However, after the Revolution, a new site north of Batma was investigated by the First Technical Section of the Development Board. Studies showed that if a Dam were built at Debis, the area benefitting from the project would increase by 1,000,000 metres. An added advantage is that water in excess of the capacity of the Dokan Dam can be returned to Diyala River to irrigate the Lower Dujaila area, which cannot be irrigated from Derbendi-Khan.

2. FATHA DAM:

This project was given urgent investigation, as it is thought that the construction of the Fatha Dam will render both Bakhma and the Aski Mosul Dams unnecessary.

3. PUMPING STATIONS:

The tendency in the old regime was to standardise on Diesel for operating pumping stations. At present, however, electricity is being considered as a replacement. Electricity, undoubtedly, is a more practical form of energy, and its use will be facilitated by the extensive network of power lines that will cover all Iraq.

Drainage schemes, as a rule, take a long time for preparatory investigations. The opinion in the First Technical Section of the Development Board is to go ahead with the construction of main and subsidiary drainage schemes before completing field investigations.

In this way, many schemes can be started within a short time without technically damaging the projects. In this way also, unemployment can be averted.

INDUSTRY AND INDUSTRIALISATION

DESPITE the abundance of all types of raw materials, mineral, agricultural, animal, such as oil, natural gas, sulphur, dates, cotton, wool, etc., and despite the existence of a large working population, indicated by the presence of industrial and agricultural unemployment, Iraq's industry remains under-developed and limited to few consumer and constructional industries, which employed no more than 100,000 workers with an invested annual capital not exceeding ID. 3,000,000, except for the oil industry which is dominated by foreign oil companies.

The fact that the governments of the old regime neglected, and even hindered industry and industrialization is most conspicuous. An example of this is the cement industry in Iraq. Before World II Iraqi industrialists directed their attention to establishing cement factories. Production, though, did not start until 1950, and increased until it was able to meet the demand of the local market. But the governments of the old regime established two cement producing factories, competing with private companies and causing an annual surplus of 250,000 tons of cement. Production, therefore, dropped and unemployment prevailed in this vital industrial field.

It was therefore natural for the Government of the Revolution to consider industrialization as one of the fundamental bases for its economic policy, aiming at exploiting national wealth for laying the foundation of a firm national economy and raising the standard of living.

Services rendered by the Government of the Revolution to Iraqi industry and the industrial movement are represented by the achievements of the Ministry of Industry and the Industrial Bank, which can be summarized as under:

1. It formed two Directorates within the Directorate General of Industry, one dealing with technical research and the other dealing with economic research.

The Directorate of Technical Research conducted laboratory research concerned with the following industries:

Coloured chalk production, liquorice, meat and fruit canning, methylated spirit and detergents. It also completed and submitted reports on the following:

Yeast making, mechanical rope making, the use of palm tree leaves as raw materials and fodder production.

This Directorate also collected information regarding the production of pencils and alloys. Further, it completed a study on the suitability of concrete products manufactured by the Estate Industries Company. Those were found to conform with the British Standard Specifications and were recommended to the Government departments for use in building and construction. In addition, the Directorate is about to complete studies concerned with the production of good quality table salts, and is still working on the preparation of specifications for the permanent industries, such as wire mesh, borax and soap. Also the Directorate of Technical Research undertakes analysis of various materials for the Government and the public. As for the Economic Directorate, it carried out extensive research in connection with the various local industries.

2. The Government passed a new law for economic industrial projects, thus cancelling a previous law issued in 1955. The new law exempts from customs duties and taxes all industrial projects alike, without discrimination between the large and the small. In doing so, it gives an equal opportunity for all capital owners to participate in the industrial field. The old law, however, exempted and encouraged only the relatively large capitals, thus depriving the country of many potentialities and capabilities. The new law defined clearly the meaning of the industrial project and added that projects using no mechanical power and employing four workers are also offered encouragement and given protection. Projects subject to exemption according to the new law must fulfil two additional conditions:

(1) Production expenses should not be less than 25 per cent. of the total cost.
(2) 60 per cent. of the project capital must be Iraqi (compared to 55 per cent. in the old law).

The new law prevents any industrial establishment working in basic industries from suspending work or decreasing production, except within the limitations assigned by the Ministry of Industry.

3. Existing laws were amended to tighten control and supervision over state-owned industrial projects and to increase their efficiency.

4. The Government gave raw materials, factory installations and industrial equipment priority in the lists of imports in trade agreements concluded with friendly countries, leaving out goods Iraq is producing in quantities sufficient for the local market. The Government also concluded some scientific, and economic co-operation agreements with a number of friendly countries, all of which provide for supplying Iraq with scientific documents and assistance in research.

They also provide for technical experts from these countries to be sent to Iraq and for Iraqi experts, technicians and workers to be delegated to those countries for training and education. These agreements also stipulate that Iraq be supplied with industrial machinery and equipment. A number of these agreements were recently signed, the last of which was the Technical and Economic Co-operation Agreement between Iraq and the Soviet Union.

The Czechoslovak Government offered the Iraqi Government twenty training fellowships for students and workers during 1959 and twenty more fellowships during 1960. The first group of students and workers has left for Czechoslovakia. Rumania also granted four fellowships for specialization in Petroleum Engineering.

The German Democratic Republic granted fifty training fellowships in all industrial fields to Iraqi students and workers for 1959 and 1960. It also granted ten academic fellowships in various technical and industrial subjects to Iraqi students and officials. All recipients have already left for the German Democratic Republic.

The Economic and Technical Co-operation Agreement concluded with the Soviet Union provides for a 550,000,000 roubles loan, part of which is allocated for establishing the following factories:

1. Steel factories.
2. Fertilizer factories.
3. Sulphur and sulphuric acid factory.
4. Anti-biotic and pharmaceutical preparations.
5. Agricultural machinery and implements factory.
6. Electrical appliances factory.
7. Electric light bulbs factory.
8. Glass factory.
9. Cotton textiles factory.
10. Woollen textile factory.
11. Tricot factory.

12. Tailoring factory.
13. Canning factory.

It is expected that these factories will be completed within three years. The agreement also stipulates that more factories may be supplied on the request of the Iraqi Government. These factories include:

1. A factory for the building and repair of rivercraft.
2. Plastics factory.
3. Caustic soda factory.

The Government took into consideration the importance of private industry in the growth and development of national industrial projects. The agreement therefore makes an allowance for projects of light industry which are of a direct importance in raising the standard of living and the supply of consumer goods. After completion, such factories will be offered for private capital to share partly or wholly in their ownership and control.

5. In order to protect the existing national industry, the Government banned the imports of some foreign goods, e.g. vegetable oils, leather and rubber shoes, cigarettes, matches, washing and toilet soaps and aluminium utensils. The decision was taken after a careful study of the productive capacity of factories and the needs of the local market.

6. In an attempt to encourage private investment in industry, the Government contacted the German Democratic Republic, Czechoslovakia and Poland to supply Iraq with factories of small productive capacities. The German Democratic Republic agreed to supply more than fifty such factories on easy payment terms and quick delivery. It also agreed to supply the experts necessary for preparation, construction, and initial operation. Amongst these are carpentry, sanitary products, agricultural machinery, plastics and building materials and factories for producing various kinds of tools, equipment and workshops.

Czechoslovakia agreed to supply Iraq with more than sixty small factories at reduced prices and on easy terms. Amongst these are factories for car maintenance and repair, the manufacture of medical injection needles, nails, kerosene lamps, shoes, metal furniture, padlocks, toys, small excavation machinery, building materials, nuts and bolts and various metal implements. The Czechoslovak Government expressed its desire to supply the experts and technicians needed for the setting-up and the operation of factories in their initial stages. The same applies to Poland.

The Government requested the Ministry of Industry and the Federation of Industries, to encourage the industrialists to import these factories, and offer them the technical facilities. The Government also asked the Industrial Bank to facilitate the offer of loans for these purposes.

LOANS

Loaning activities of the Industrial Bank generally increased to include a greater number of industrial projects and to extend to other parts of the country. Industrial statistics show that after a short period from the start of the Revolution, the work of the Bank began to expand gradually and noticeably. During the first nine months, i.e. between July 14th, 1958, and April 20th, 1959, the Bank granted 219 loans against 226 loans granted during the twelve months from July 14th, 1957, to July 13th, 1958. During the six and a half months between October 1st 1958 and April 20th 1959, the Bank granted 202 loans against 107 loans for the same period of last year.

The number of sums loaned indicates that the tendency in the distribution of loans covers a greater number of industrial projects spread over more parts of the Republic.

During the period from October 1st, 1958 to April 20th, 1959, the total sum of money paid against the 202 loans mentioned above was ID. 302,205, in addition to ID. 250,000 in medium-sized loans, whose preliminary procedure was finalised during this period, leaving only some formalities to be completed before their payment. The total amount of the 107 loans granted during the same period of last year was ID. 884,816. Included in this was a sum of ID. 740,000 granted against six loans to six major companies, two of which obtained loans for ID. 250,000 each, leaving the remaining 101 project owners to share only ID. 144,816.

The routine work and time required to complete the loaning procedure was cut dowr by about one-third during the past six months. At the same time, the Bank started to follow procedures to ensure a proper control over lending, helping the borrower at the same time. This is done by discussing with him the purpose of the loan and the correct amount required for the project, and by preparing the schedules of instalments and dues in a way consistent with the newness of the project, its potentialities and the seasonal fluctuations. The Bank also tightened inspection to ensure that the loans are actually spent for the purpose for which they were granted. In future, the Bank will be able to give technical aid and guidance to industrialists.

Expansion of the activities of the Bank is expected, as a result of the procedures started in early April, 1959, to bring into existence the proposed Bank's modern Warehouse. It is hoped that loan procedures and routines will be cut down as a result of giving more powers to Bank branches in Mosul and Nejaf.

BANK REGULATIONS

The new draft regulations of the Bank aim at developing the Bank and facilitating its work through clarifying its duties, strengthening its position and providing it with the required capital so as to render it one of the active means of encouraging and directing the industrial movement in the country.

The most important principles included in the draft regulations are:

(a) Clarifying Bank duties regarding loans and advance payments and its participation in industrial projects. Also fixing the terms and conditions for importing goods on behalf of customers, storing materials, undertaking banking business, issuing bank guarantees and offering technical aid and necessary guidance for organising industrial projects and directing them to serve public interest.

(b) Confirming the administrative and financial independence of the Bank, ensuring harmony in its system, and planning its programme in conjunction with the industrial and financial circles concerned.

(c) Introducing the principle of economic direction and technical guidance and control, especially concerning the industries in which the Bank has made an investment.

(d) Drafting various rules to facilitate loaning, registering contracts and loan bonds, debt collections, estimating the sum which could be advanced against guarantees, and other facilities that help speed up Bank machinery, without infringing upon the rights of the Bank.

PROJECTS AND INDUSTRIAL PROJECTS COMMITTEE.

To strengthen the role of the Bank in developing the industrial movement and to secure harmony in its activities with other concerned quarters, the Committee of Industrial Projects was formed, including, apart from Bank Officials

concerned, representatives of the Ministry of Economics and the Federation of Industries.

In as far as industrial projects are concerned, the Committee particularly studies the following:

(a) The possibilities of establishing the proposed industries.
(b) The site and the productive capacity convenient for the country.
(c) The possibility of forming one or more companies to direct these projects.
(d) The extent of the need for the Industrial Bank's participation.
(e) The means of completing the required studies for executing the proposed projects.
(f) Submitting results to those concerned with suggestions for starting work.
(g) Other suggestions made by the Committee which help to establish the industries.

This Committee meets periodically, under the chairmanship of the Director General of the Bank. The Committee is at present studying an economic comparison of costs and possibilities of a number of industrial projects offered by some socialist countries.

THE INCREASE IN THE BANK'S CAPITAL

The Government increased the paid-up capital of the industrial Bank by ID. 1,000,000, paying this sum in full on April 1st 1959. The Bank's capital at present is as follows:

Paid-up capital	ID. 4,750,000
Reserve capital (circulated profits)	1,265,716
The remainder of the loan of the Central Bank	290,000
Sundry debit balances	358,137
	ID. 6,663,853

This capital is now distributed as under:

Loans	ID. 3,295,709
Investments in companies	1,927,594
The Bank's housing scheme	48,089
Deposited in the Central Bank	1,392,461

THE BANK'S BUILDING AND HOUSING SCHEMES.

The Bank is operating a housing scheme for its employees and is allocating sums in its new budget for a new branch to be etablished.

WORK UNDERTAKEN BY THE THIRD TECHNICAL SECTION OF THE DEVELOPMENT BOARD.

1. Electricity Projects:

The Development Board investigated sources of electrical power in the country, and prepared programmes to cover Iraq with cheap electricity for industrial, agricultural, municipal and private uses.

A survey was carried out in 1953 to discover the best and the most economic sources for electric power. As a result three main steam power generating stations were adopted.

These stations, in Baghdad, Basrah and Debis, on the left bank of the Lesser Zab, are now in their final stage of construction and will be completed before the end of this year.

The initial output of the Debis Station is 60,000 kilowatts (four units of 15,000 kilowatts each) but it is designed to have a total capacity of 150,000 kilowatts.

Power will be transmitted by 300 km. of 132 kilovolts power transmission line to Mosul, Arbil, Kirkuk and Sulaimaniyah, and also to the Sirchinar and Hammam al-Alil state-owned cement factories.

The station will burn natural gas which is found in abundance in the nearby oilfields.

The Baghdad Station will have an initial capacity of 80,000 kilowatts (four units of 20,000 kilowatts each), but is designed to have a total capacity of 200,000 kilowatts.

Initially, the power produced will be consumed in Baghdad only. Later, however, surplus power will be transmitted by 200 km. of 132 kilovolt and 90 km. of 66 kilovolt transmission lines to Hilla, Kerbala, Hindiyah, Mussayab, Nejef, Kuffa, Shamaiyyah and Diwaniyah. The plant uses bunker C oil for fuel.

The Basrah Station will have an initial output of 45,000 kilowatts (three units of 15,000 kilowatts each). The total capacity, however, is 150,000 kilowatts. Power will be transmitted by 33 kilovolt underground cables to the network supplying Basrah and the Ports Administration Authority.

Later, a 132 kilovolt transmission line will be constructed to supply power to regions to the north of Basrah, where many vital irrigation, pumping and drainage schemes are planned. The Basrah Station uses natural gas from the nearby Zubair fields for fuel.

Transmission lines of the Baghdad and Basrah stations will be eventually linked to form a unified network.

Cost of the first stage of this programme is ID. 21,000,000

2. The Chemical and Petro-Chemical Section.

(a) Sulphur Extraction Factory — Kirkuk:

This project was placed on international tender on March 25th, 1957. After much consideration and study, a new site for the factory was finally agreed upon in the neighbour-site for the factory was finally agreed upon in the neighbourhood of Kirkuk.

Studies and analyses of the tenders received are still being considered and no award has yet been made.

(b) Fertilizer Factory Project — Basrah:

The First stage of this project is being carried out by Ammonia Cazala (S.A.) of Lugano, Switzerland. The company made extensive studies of site investigations, local and foreign market possibilities, raw materials, and expenses. After lengthy studies, the report of the company recommended that the factory should be situated on Shatt Al-Arab to the South of Basrah. The annual output of the factory is suggested to be fixed at 250,000 tons of ammonium sulphate and 21,000 tons of sulphuric acid. The raw materials for the factory are obtained from (1) natural gas, which is to be pumped from oilfields in Rumania and (2) sulphur from the Kirkuk plant transported by rail to factory site via Basrah. Production is sub-divided into three parts: first, the producton of ammonia from natural gas; second, the production of sulphuric acid from sulphur and third the production of ammonium sulphate.

All factors being favourable and local and export market potentialities good, the project was agreed upon and the consultants were requested to carry out the second sage, that of preparing tender specification and documents. Topographical survey of the site and full analysis of the natural gas and Shatt Al-Arab waters were also taken.

(c) Paper Factory Project

Compagnie d'Equipment Internationale were appointed consultants for this project by the Development Board. Studies for the project, which will cost between ID. 6,000,000 and ID. 7,000,000 were carried out in two stages.

Stage 1. Reports of studies of the first stage of this project are now completed. These reports include extensive investigations on raw materials, factory site, the best method of obtaining reed pulp, local consumption and market possibilities, and various economic studies on the project.

The report shows that experiments on reed, rich in cellulose, which covers 800,000 donums of land in southern Iraq, proved it most suitable for paper production (12,000 donums are sufficient to supply the factory). Pulp from the reed is obtained by both the chemical and the semi-chemical methods.

The site of the factory, which has an area of 160 donums, was chosen 27 kilometres north of Basrah on the Shatt-Al-Arab.

This site has many advantages: it is near the source of the raw material (reed), the odorous gases from the factory will not affect the neighbouring area and there is an abundance of water.

The economic study included the productive capacity of a factory on an economic basis and a plan to start the establishment of a factory producing 30,000 tons of paper and cardboard annually, on condition that production could be easily stepped up to 40,000 tons annually to meet the increase in internal and external demand, by providing the factory with additional machinery.

Official statistics indicate that the amount of various types of paper and cardboard bears a close relation to the development of other local industries, such as cement, sugar, fertilizer, date packing and others.

Semi-industrial experiments for producing writing paper, typing paper, newsprint, brown wrapping paper, cement bag paper and cardboard from Iraqi reed, proved that the quality obtained is as good, if not better, than imported paper which costs about ID. 2,000,000 annually. In addition, the factory will provide work for 700 engineers, technicians and workers, plus 3,600 persons working in cutting, collecting and transporting the reed. This will result in raising the standard of living of thousands of families inhabiting the marshland. At present, the annual income of each of these families does not exceed six dinars.

Stage 2. After the success of studies and experiments concerning the possibility of establishing the paper factory, the Development Board asked the consultants to carry out the second stage of the project by preparing tender documents for a factory, having an annual output of 30,000 tons which could be increased to 40,000 tons. The Development Board also agreed to appoint the Compagnie d'Equipment Internationale consultants for the project.

(d) The project of natural gas pipeline from Kirkuk to Baghdad.

The Development Board has agreed to construct a natural gas pipeline from Kirkuk to Baghdad after the sulphur is extracted from it in the Factory of Sulphur Extraction, so that the gas could be used as fuel in the industrial factories in Baghdad district. The Development Board also asked the Ministry of Development to recommend consultant companies with international experience to work on this project in co-operation with the Government Oil Refineries Administration. Accordingly, the Board invited eleven consultant companies of various nationalities to submit their conditions for carrying out consultation work.

A four-member committee, formed of two representatives of the Government Oil Refinery Association and two representatives of the Third Technical Section, studied all offers submitted and decided to recommend Messrs. Ibasco Service Incorporated for this work. The contract between the Board and this Company was signed on February 8th, 1958.

(e) Natural Gas from Rumaila Fields

The consultants for the Basrah Power Station, Messrs. Ewbank and Partners, recommended natural gas to fuel the Station. Natural gas is also required for the fertilizer factory for ammonia production. Due to the importance of natural gas from Rumaila, therefore, the Board invited Messrs. Ewbank and Partners to submit their offers as consultants for this project.

(f) Caustic Soda Factory

The Board agreed in principle to commence preliminary studies and investigations for establishing a caustic soda and chlorine factory, and a plastic factory. An expert from the consultant engineering company undertook an extensive study of salt resources (the raw material for caustic soda production) in various parts of the country.

The expert submitted his recommendations to the Board, where they are being studied.

(g) Rayon Factory

Messrs. Merryware were chosen by the Board as consultants on this project. They carried out extensive surveys and suggested that the factory should be built in Hindiyah. Preliminary specifications and estimates were all made and submitted to the Board and were approved.

The Technical Section made the following recommendations:

1. The initial annual capacity of the factory to be 2,300 tons of rayon and 2,500 tons of fibre yarns, but the machine for manufacturing the fibre yarns must have a capacity of 3,000 tons.
2. The factory should have a sulphuric acid manufacturing unit.
3. The tender documents should detail the prices for the section by the viscous method and also for the spinning and weaving sections. The Board approved these recommendations on November 23rd, 1957.

The Board also agreed to have the consultants start work on the second stage of the project, which includes the preparation of technical specifications and tender documents, inviting tenderers to submit their offers, analysis of these offers, preparation of the detailed designs for starting work and supervising the execution.

After the first stage was completed, a draft specification was submitted by the consultants. The Third Technical Section recommended the Development Board to accept the draft and agree on the general condition. The Ministry of Development was then given permission to announce the tender.

3. Mineral Project

1. Mineral Survey

A mineral survey in Iraq was undertaken by Site Investigation Company on contract to the Development Board. During the four years of operation of the Company in Iraq it carried out a number of surveys in various parts of the country as under:

(a) A general survey of the Sheler Valley in north-east Iraq.

(b) Detailed geological and geophysical surveys of iron in the Mathar district of the Sheler Valley.
(c) The general geology of the Raikan and Zaibar districts in the Herki Stoni area of northern Iraq.
(d) The general geology of the Sedika and Hilakurd districts in the Shitna area of north-east Iraq.
(e) General geology of the Kani Rash area in north-east Iraq.
(f) General geology of the Rani area in north-east Iraq.

2. Excavations

Excavation work was carried out in various fields by the Excavation Section of the Third Technical Section. The results obtained are summarised as under:

(a) The Iron Sulphide Field in Sarakosa—twenty wells were drilled north of Amadiya to a depth of 1.750 feet. Four wells gave positive results.
(b) Iron field in Asnawa—two wells, both giving positive results, were drilled to a depth of 472 feet in the Penjuin area.
(c) Derbend Iron Field—one well, which gave negative results, was drilled to a depth of ninety feet in the Rayat area.
(d) Sulphur field in Fatha—four wells were drilled, all giving negative results, to a depth of 470 feet in the Baiji area.
(e) Phosphate deposits in Rutba—one well was drilled to a depth of 225 feet giving positive results.

3. Steel Factory Project

On April 4th, 1957, Messrs. Mackenzie Engineering Company started consultation work for the steel factory and submitted reports about studies concerning the situation of the market and the position of the site.

On September 7th, 1957, the consultants submitted their recommendation for a factory with a productive capacity of 33,000 tons per annum based on a one-shift working day. The raw materials for the factory are to be derived from metal scrap and imported steel ingots. This, however, did not meet with the approval of the Development Board, which asked the factory to use scrap metal only. Finally, the Board agreed on the following:

(a) To decrease the output of the factory to 15,000 metric tons per annum, on a one-shift per working day basis.

(b) Asking the consultants to prepare the technical specifications for the factory.
(c) To prepare a detailed study concerning the availability of metal scrap.

4. The Cement Project

1. Sirchinar Factory

(a) Work so far completed:

Civil engineering work (earth moving and the purchase of the site) started during April, 1955.

The most important parts of the civil engineering work were completed just before April 1st, 1957, and most mechanical and electrical equipment has already been installed.

(b) Expenses:

Payments made by the Development Board to seven contractors on account of various civil and other engineering work, including quarries, up to April 1st, 1957, reached a figure of I.D. 1,848,916 and between April 1st, 1957, and March 31st, 1958, I.D. 607,663.

2. Hammam Al-Alil Cement Factory

(a) Works so far completed:

About 85 per cent of the civil engineering work and 70 per cent of equipment installation were completed by March 31st 1958.

(b) Expenses:

Payment made to contractors on account of various civil engineering, mechanical and electrical equipment and quarries, reached I.D. 1,063,197 by April 1st 1957 and I.D. 2,346,729 by March 31st, 1958.

5. Sugar Factories.

1. The Mosul Sugar Factory.

The factory, which uses sugar beet for sugar extraction, is in operation now. Work on its construction started in April 1957, coupled with an investigation and study on developing beet growing in the area. The Board also sent twenty students to Turkey for practical training on sugar production.

2. Sulaimaniyah Sugar Factory

The Development Board approved the construction of a sugar factory in Sulaimaniyah and investigated possible sites for the building, choosing a place four kilometres from Sulaimaniyah. The tender was advertised on September 30th, 1957, and the Board approved the appointment of Airandous Company to study the offers. The consultants suggested a number of modifications on the original plan, all of which were accepted by the Board and the tender, in its amended version, will be advertised shortly.

3. Liquid Sugar and Date Juice Factory in Kerbala

The Development Board approved the construction of a liquid sugar factory in central Iraq and a site was chosen in Kerbala. The tender was advertised on January 15th, 1957.

However, due to some technical difficulties and the lack of knowledge about the properties of liquid sugar, the Board approved a few modifications in the terms of the contract.

Also, due to the development programme of Kerbala town, the site of the factory had to be changed, and efforts are being made to find a new site.

Below is a summary and a classification of factories in their various stages of completion:

1. Projects which were ready on July 14th, 1959, for operation or inauguration:
   - (a) The Northern Area Power Station (Dibis).
   - (b) The Central Area Power Station (Baghdad).
   - (c) Dendan Water Scheme (Mosul).
2. Projects started after the Revolution and still under construction:
   People's Shoe Factory.
3. Projects started after the Revolution and still under study:

'A'
- (a) Steel factory.
- (b) Nitrogen fertilizer factory.
- (c) Sulphur and sulphuric acid factory.

- (d) Electrical appliances factory.
- (e) Electrical light bulb factory.
- (f) Glass factory.
- (g) Cotton textile factory.
- (h) Woollen textile factory.
- (i) Tricot factory.
- (j) Ready made dress factory.
- (k) Geological survey project.
- (l) Canning factory.
- (m) Caustic soda factory.
- (n) Plastic factory.
- (o) Antibiotics and pharmaceutical preparations factory.
- (p) Agricultural machinery, implements and spares factory.
- (q) Geological instruments repair centre.
- (r) Two concrete silos.

'B'
- (a) Internal combustion engine project.
- (b) Motor car assembly project.
- (c) Radio, refrigerator, washing machines and air conditioners assembly project.
- (d) Electrical battery project.
- (e) Nails and needles production project.
- (f) Carpet making project.
- (g) Oil heater production project.

4. Project started after the Revolution and still under construction:
   Southern Area Power Station (Basrah).
5. Projects started before the Revolution and still under study:
   1. Sulaimaniyah sugar factory.
   2. Liquid sugar and date juice factory.

3. Sulphur extraction from natural gas factory.
4. Chemical fertilizers factory.
5. Natural gas pipeline from Kirkuk/Baghdad.
6. Natural gas pipeline Rumaila/Basrah.
7. Paper and cardboard factory.
8. Rayon factory.
9. Fine textile factory.
10. Steel factory.
11. Caustic soda factory.
12. Plastics factory.

6. Projects on which basic changes have been made:

1. Chemical fertilizers, ammonium nitrate and ammonium sulphate, instead of ammonium sulphate only.

2. Sulphur extraction from natural gas: it is now planned to produce sulphur and sulphuric acid instead of producing sulphur only.

3. Steel factory. The factory is to be designed to produce sixty thousand tons of steel annually, instead of thirty-two thousand tons as previously.

4. Paper factory: modified to produce forty thousand tons of paper annually instead of thirty thousand tons as previously.

5. The natural gas pipeline from Kirkuk to Baghdad: it has been decided to postpone this project for the present, as it has proved to be uneconomical.

THE OIL POLICY

THE Government of the Revolution paid great attention to oil issues, due to the effect oil has on building the Iraqi economy. Ever since the first day of the July 14 Revolution, the Government has been studying ways and means to secure for this country its fair share of oil revenues without hindering production processes. This is done in accordance with the policy as stated by Leader Major General Abdul Karim Qassim on the first day of the Revolution, that the Government will respect all oil agreements concluded with the companies. On this basis, various talks took place between the Government and the representatives of oil companies, dealing with many issues that are summarised below:

1. Relinquishing some Concession Areas:

It was agreed that oil companies should relinquish some concession areas. The Basrah Petroleum Company, as a result relinquished the regions of the Iraqi territorial waters, and negotiations are still under way to reach a final agreement as to the boundaries of these areas and the terms of relinquishment.

2. Terminating the Concession of Khanaqin Oil Company:

The Khanaqin Oil Company informed the Government that it was unable to carry out the obligations of its concession. The Government, therefore used its rights stated in item 12 of the agreement concluded on December 25th, 1951, and terminated the concession of the Company and took over the management of the Khanaqin fields as from December 30th, 1958. The Government administered the fields through the Government Oil Refineries Administration and enjoyed all rights transferred to it by the termination of the Concession.

3. The Government's Share in kind of Crude Oil:

Item three of the Oil Agreement of February 3rd, 1952, authorised the Government to receive its share of crude oil (12.5 per cent) of the production of each of the oil companies in the export terminals, provided the Government notifies the companies six months before the beginning of the year of its desire to receive this share. When the Government found out that this limitation in period prevented it from selling its

share, it conducted negotiations with the companies to shorten the period of notification. It was able to decrease it to two months as from the beginning of each annual quarter for small amounts which do not exceed 300,000 tons on the Mediterranean and 225,000 tons at Fao. As for amounts that exceed these, the period is reduced to three and a half months.

The Government also reached an agreement with the companies to receive the amount of crude oil it needs inside Iraq instead of receiving it in the export terminals, if it so desires.

4. Supplying the Iraqi Refineries with Crude Oil:

In conformity with the agreement, the oil companies had undertaken to supply the Iraqi refineries, at cost, with the crude oil necessary to meet the demand for oil products of the local market. The Government noticed, however, that use could be made of the surplus oil products through export. It therefore negotiated with the oil companies to be given the opportunity to export the various surplus oil products instead of destroying or returning them to oil wells. An agreement was reached on this subject.

5. The Loan Agreement for 1957:

The Government of the old regime had concluded an agreement with the companies in 1957, whereby it was authorised to borrow from the companies up to ID. 25,000,000 provided that the loan were paid back in quarterly instalments. Repayments were to be made at 30 per cent of the amount in excess of ID. 6,000,000, provided that the share of the Government's oil revenues during that quarter was over ID. 6,000,000. If the loan is not paid fully by April 1st, 1960, an interest of 5.5 per cent per annum will be charged on the remaining sum. The government of the old regime borrowed, in accordance with this agreement, ID. 11,016,461.

The Ministry of Economics decided that the interest mentioned above was too high, and that the method of paying back the debt might hinder economic projects, which the Government aims at achieving in the immediate future. Therefore, it conducted negotiations with the oil companies to modify the terms of payment and reduce the interest. Agreement was reached on reducing the interest to 3 per cent per annum, and on repayments not to exceed ID. 500,000 each quarter, provided that the oil revenue of the Government during that quarter is more than ID. 6,500,000.

6. Supplying the state-owned Industrial Projects with Natural Gas:

Since the Government intends to establish many new industries to take advantage of natural gas surplus to the needs of the oil fields, which is, at present, being disposed of by burning, the Government negotiated a contract for supplying the state-owned industrial projects with natural gas at cost.

Agreement, in principle, was reached and studies are under way to fix the terms and limitations. However, due to the completion of the Northern Area Power Station in Dibis, and owing to the need of natural gas to operate the station, a temporary agreement was concluded between the Government and the oil companies to start supplying the station with gas until the final contract agreement is prepared.

7. Employing Iraqi Nationals in the Oil Companies:

Former oil concessions stipulated that oil companies should endeavour to employ as many Iraqi nationals as possible. In 1952 an agreement was concluded between the Government and the companies whereby the companies undertook to inform the Government of all vacancies and the qualifications required to fill each of them. The Government was then to advertise these vacancies and nominate suitable persons within thirty days of the companies' notification. In case a suitable Iraqi, having the necessary qualifications, was not found, the companies would have the right to employ any foreigner. After the Revolution, the Ministry of Economics noticed that this agreement did not lead to employing Iraqi technicians, as was intended. It asked the companies therefore to extend the thirty day period mentioned above to sixty days. On the other hand, agreement was reached that the oil companies should not employ any foreigner to work in Iraq unless they submitted to the Ministry of Economics full particulars of his qualifications and obtained sanction for employment. Work is at present in progress towards handing over all the sensitive technical and administrative posts to Iraqi officials. According to these arrangements, "Iraqisation" of the companies is hoped to be achieved in the not too distant future.

8. Appointing an Iraqi Executive Director:

Oil agreements gave the Government the right to appoint two Iraqis to the Board of Directors in London. The Ministry of Commerce perceived that the appointment of these two directors did not give the Government active participa-

tion in directing the affairs of the oil companies. The Government, therefore, initiated talks with the representatives of the companies to appoint one of these directors as an executive director, to participate in the everyday work of the companies. The Government obtained a promise that this request was to be studied in the near future.

9. The Institute of Oil Studies:

The Ministry noticed that Iraq lacks experts and technicians in oil affairs, despite it being an oil-producing country. It therefore intends to establish in co-operation with the oil companies and the Baghdad University, an institute for oil studies where subjects related to the oil industry are taught. The oil companies expressed their readiness to supply all necessary aid in this respect, and the Institute is expected to be opened shortly.

10. Forming the General Committee for Oil Affairs:

The Ministry of Economics drafted Law No. 38 of 1959, whereby a General Committee for Oil Affairs was formed to include the Directorate General of Oil Affairs, the Government Oil Refineries Administration, Field Administration and Distribution Affairs Administration. This Committee, which is an independent entity, is directed by a Board of Directors that controls all aspects of the oil policy concerned with prospecting, production, export, refining, distribution of products for local consumption, and others. The Government therefore, exercises through this Committee full control over all aspects of the oil industry.

The Government Oil Refineries Administration was responsible for oil refining and distribution inside Iraq. It is responsible for the administration of the Dora Refinery and Qayara Refinery and supervises the Administration of Al-Wand Refinery in Khanaqin and Al-Muftiya Refinery in Basrah, both of which were managed by the former Khanaqin Oil Company (the Khanaqin Oil Company was the agent for the Iraqi Government for the distribution of oil products and lubricants against a net payment of ID. 170,000 annually).

According to the Regulations of the Administration, a five-member Board of Directors has absolute power in managing its affairs, except for the annual budget and capital establishments, both requiring the approval of the Ministry of Economics. The Directorate General of Refineries executes the decisions of this Board.

The Dora Refinery:

When the Revolution took place, the Dora Refinery was run by 153 American and British experts, costing over ID. 1,000,000 annually, although some of them did not possess high technical qualifications. Ninety Iraqi engineers, all holders of high degrees, were given trivial and unimportant jobs, despite the fact that the terms of contract of foreign experts compelled them to give technical training to all Iraqis, so that at any time a quick transfer can be made from foreign to Iraqi management.

This foreign management consumed not only a million dinars in salaries and neglected Iraqi capabilities, but also wasted large amounts of money on purchases from certain imperialist companies, such as the Los Anglo-American Company and Imperial Chemical Industries. Therefore, the Directorate General of Refineries put, as one of its foremost objectives, the purging of the foreign technicians and replacing them with Iraqis, and also exercising a direct control over all purchases on the free market. Due to the dangerous nature of refinery work, since all materials handled are highly inflammable, and since it is the main refinery which supplies the Republic of Iraq with all oil products and lubricants, the purging process was very difficult and required much patience and accuracy and had to be carried out in stages to allow Iraqi engineers a quick training before they replaced the departing foreigners. It is worth mentioning here that contracts of foreigners, especially Americans, compelled the Iraqi Government to pay six months salaries when discharging them, while these contracts did not compel the foreign employees to give any notice before leaving.

This condition, unjust as it is, had to be adhered to by the Iraqi Government when dismissing foreign employees, an additional factor that compelled the Directorate to adopt a special timing plan in purging, thus saving about ID. 500,000. The objective which at one time seemed to be far-reaching, has now been accomplished, and British and American technicians have been replaced by Iraqis, saving nearly ID. 1,000,-000 annually. Purchasing was transferred to the Directorate's head office, thus saving large sums of money. As an example, it is worth mentioning that purchases made after the Revolution were at prices from 22 to 25 per cent less than the prices paid on the last purchase made during the old regime. The difference of the purchase of one item reached ID. 80,000 annually, and of another ID. 42,000 annually. Sums saved on purchases for the Administration from July 14th, 1958, to

the end of April, 1959, i.e. during ten months, reached about ID. 380,000.

It is also noteworthy that immediately after the Revolution the Government Oil Refineries Administration did not have sufficient money to open the credits required then, and was therefore forced to ask for aid from the Development Board.

At present, the Government Oil Refineries Administration has a balance of nearly ID. 1,500,000, in addition to the ID. 1,000,000 Development Board aid which is still untouched. The Government Oil Refineries Administration employs, at present, twelve Soviet engineers to complete the changeover to Iraqis and to carry out the improvement needed in all work aspects in the refinery. It will also employ twelve more Soviet experts to operate the new unit which will raise production from 1,400,000 tons to 2,200,000 tons. The expenses of these technicians will not exceed ID. 60,000 per annum, while the expenses of the American and the British reached ID. 1,000,-000. However, only a few top Soviet experts will be retained by the Government Oil Refineries Administration for major consultations. The aim of the Administration goes further than that in raising the efficiency of the workers to such a level that they will be able to replace some engineers, whose experience and abilities are required in industrial projects yet to be established in the Republc.

Liquidation of the Agency of the Khanaqin Oil Company:

It was found necessary, after the Revolution, that Iraqis should participate in the management of oil affairs whenever possible. The necessary plan was therefore drafted to liquidate the concessions of the Khanaqin Oil Company. The concessions were cancelled in accordance with Clause B of Item 12 of the Agreement of December 25th, 1951, which puts the Company under obligation to export 2,000,000 tons of crude oil per annum during the seven years starting from the date of the conclusion of the 1952 Agreement, and the cancellation came in consequence of a letter forwarded by the Company on April 28th, 1958, stating that it was unable to export this quantity during the time limit. The Government Oil Refineries Administration was given the duty of administering the oil fields in Naftkhana, which it immediately under took, dismissing all British experts from field administration and handing over their tasks to Iraqi engineers. The Government Oil Refineries Administration expressed its desire to undertake the management of Al-Wand Refinery, in accordance with item 4 of the agreement which gives the Iraqi Government that right, provided it gives six months notice of its intention to the Company. In April, 1959, the Government Oil Refineries Administration took over the administration of the Refinery and dispensed with all British technicians, replacing them with Iraqi engineers.

The duties of the Khanaqin Oil Company were then reduced to the distribution of oil products and lubricants, but the Government Oil Refineries Administration expressed its intention to liquidate the British system and to undertake directly the affairs of distribution. As a result an agreement was concluded between the Administration and the Khanaqin Oil Company concerning a plan according to which the Refineries Administration would be handed over to the distribution within the six months ending on June 30th, 1959. The changeover began by replacing the British employees with Iraqi nationals in all aspects of distribution, transportation, maintenance, accountancy and stores. This changeover was done according to a carefully worked-out plan, making the sensitive task of distribution, which covers all the country, a purely Iraqi system.

The number of foreigners dispensed with as a result of "Iraqisation" of fields, refineries and distribution managed previously by the Khanaqin Oil Company reached fifty-six Britons, each receiving an average of ID. 3,000 annually. All those were replaced by Iraqis of one-third their number, saving for the Republic a sum of more than ID. 200,000, plus the additional sum of ID. 170,000 paid to the Company annually against its administrative work. In addition, large sums are expected to be saved as a result of following sound purchase procedures.

It is worth mentioning here that during the old regime the Government planned to offer the production and distribution of liquid gas on contract basis to contractors chosen by the Government. After the Revolution, this plan was cancelled and arrangements were made for establishing a governmental administration for the large scale distribution of liquid gas, so that it uses all the gas now being wasted in the Dora Refinery. It is hoped that during the next two years, more than 150,000 families will benefit from liquid gas, saving the Government more than ID. 750,000.

The new Law of Executive Power worked at unifying all departments and administrations of oil under the Ministry of Oil, which will then be responsible for all prospecting, pumping, refining and distrbution to local and foreign markets.

THE TRADE POLICY

SINCE the Revolution, all imported materials have been subjected to import licence. This aims at redirecting the import policy to fulfil the demands of industrial development in Iraq and to free Iraqi industry from foreign control.

The steps taken since the Revolution by the Ministry of Economics concerning foreign trade aim at the following:

1. To encourage and protect the local industry from foreign competition, through banning and restricting the import of goods whose equivalent is locally manufactured, after studying the productive capacities of Iraqi factories and the consumption capacity of the local market. The imports of machinery and other productive goods were increased and encouraged.

The Directorate General of Industry and the Directorate General of Trade co-operate in carrying out the necessary studies on local production, and means of protecting it. In the light of their proposals the import policy is decided.

On this basis, the import of various goods, locally manufactured in quantities sufficient to meet the demand of the market, was banned; whilst the import of other goods not manufactured locally in sufficient quantities was limited to encourage local industry.

2. To overcome, or try to reduce as much as possible, the mounting deficit in the trade balance, through increasing Iraqi exports, finding new markets, and limiting the import of luxuries.

The most important exports of Iraq are dates, grains and animal products. The Ministry of Economics worked at regulating the trading and production of these goods to ensure the increase of their exports.

The Directorate General of the Date Association supervises the regulation of sales of Iraqi dates in internal and external markets. The decision of the Government of the Revolution to allow the Date Association to enter the market as a buyer had an appreciable effect on raising the prices of dates. As a result of this decision, a seven member Committee, headed by the Director General of the Date Association, for purchasing dates was formed on November 13th, 1958. The amount of dates the Committee purchased was 117,000 tons, of which 42,000 tons were exported. The export of the remaining 75,000 tons will continue until the end of the date season, at which time the quantities remaining will be exported as animal food and for various industrial purposes.

Soon after the conclusion of trade agreements with some countries, 60,000 tons were exported to the People's Republic of China, 2,250 to Czechoslovakia, 570 tons to Yugoslavia, 352 tons to Poland, 10,340 tons to the German Democratic Republic and 50 tons to Hungary. It is noteworthy that these countries had never before imported any amount of Iraqi dates.

The Date Association has recently started to conduct studies regarding the establishment of modern stores and date packing presses in the various date producing areas. Sites for this purpose were chosen, and the Date Association began the legal procedure for requisitioning. Also, agreement was reached with the German Democratic Republic for the purchase of 20 to 23 modern mechanical date presses, with a productive capacity of 30,000 tons. These machines will be installed in stores in important productive areas in central and southern Iraq.

The Association also encourages the formation of co-operative societies, and one was formed in central Iraq and another in Basrah, each with a capital of ID. 500,000 for the purpose of improving date production, storage and pressing. These societies receive dates from the producers and fix their prices.

Since the Revolution the Grain Board has exported 2,000 tons of barley to the German Democratic Republic at a cost exceeding international prices, 5,100 tons to Yugoslavia, 4,000 tons to Poland, in addition to 3,000 tons exported to Japan. Contracts are under way with other countries, investigating the possibility of exporting Iraqi grains and cotton to them.

Through the Board, an amount of Iraqi cotton was bartered for sugar from the Soviet Union. The Government had authorised the Committee to buy and export 50,000 tons of Iraqi barley and granted a loan of ID. 1,000,000 for this purpose. A branch of the Grain Board was opened in Basrah to

deal with these exports. As part of its export campaign, the Committee participated in the International Leipzig Fair in the German Democratic Republic during February, 1958.

Amongst the fundamental projects the Board is undertaking are those of modern silos. At present there is a concrete silo in Baghdad having a capacity of 5,000 tons, equipped with all the modern machinery and instruments for unloading cleaning, washing and storing. There is also in Baghdad, a steel silo with a capacity of 11,000 tons. Recently, many concrete silos were built in the big producing and exporting centres, such as the Mosul silo, which has a total capacity of 24,000 tons, the Arbil silo (16,000 tons) and the Hilla silo (8,300 tons). The cost of these three silos is about ID. 2,000,000.

The Board is adopting an extensive programme for building concrete silos in the important growing centres. The Committee also has an investment in the Marine Transporting Company and in the Iraqi Grain Milling Trading Company. It is endeavouring to decrease freight charges to encourage grain exports. The Board opened a branch in Basrah and obtained the agency for the Chinese Maritime Lines, and made contacts for obtaining the agency of Soviet Steamships and other similar agencies from socialist countries. The Board was also authorised to buy and export cotton through selling and bartering.

The policy of organised marketing of agricultural products adopted by the Board aims at raising the standard of trade in Iraq and regulating it in such a way as to secure maximum advantage, and to ensure the just distribution of these advantages.

After the Revolution the Government began directing the import and export policy to new channels, by transferring imports from the traditional markets, imposed for a long time by the imperialist domination, to new and larger ones. In conformity with the new trade policy, it was necessary to supervise and ensure the balance between agricultural and industrial production on one hand and local consumption on the other. This supervision makes it possible to increase the export of products surplus to the local demand, and to prohibit the export of items of which supply is less than the local demand, especially foodstuffs.

The Grain Board and the Directorate General of the Date Association entered the market as buyers. After the Revolution the Grain Board bought grain from producers and regulated the process of marketing at home and abroad.

The Ministry of Economics prepared a draft law to form a Grain Administration which aims at increasing grain production, exporting the surplus and guaranteeing the stability of prices inside the country. The Administration also cooperates with the growers and gives them the loans they require in accordance with the Agrarian Reform Law.

The Ministry paid great attention to the animal wealth of the country, such as wool, animal hair, guts, hides and others all of which form Iraq's traditional exports. Due to the importance of these products, a law was drafted for the formation of a special Board to look after the animal wealth, for local consumption and export purposes.

To facilitate the selling of Iraqi products abroad, the Ministry paid special attention to international exhibitions and fairs, forming a special board for this purpose to undertake all necessary procedures and preparations for participation in all international exhibitions inside the country or abroad.

The most important achievement of the Ministry of Economics in the field of increasing exports is the new principles it introduced in the new trade agreements concluded after the Revolution with the friendly countries. Most of these agreements are based on the principle of relative trade, requiring these countries to import Iraqi goods in quantities bearing a specific ratio to the exports of those countries to Iraq, e.g. the Trade Agreement with the People's Republic of China is based on the principle of equality between goods exchanged between the two countries, while the Trade Agreement concluded between Czechoslovakia and Iraq requires the former to import Iraqi goods to the value of 50 per cent of its exports to Iraq. The agreement also stipulates that Czechoslovakia is to buy ID. 50,000 worth of Iraqi dates during the first year after the agreement is enforced. Other agreements stipulate that the signatory countries import from Iraq 25 to 30 per cent of their exports to Iraq.

The new trade policy aims at reducing the imports of luxuries to the lowest possible limit. The objective is to decrease the deficit in the trade balance and replace the imports of consumer and luxury goods with productive and essential goods.

Accordingly, the import of many items was either banned or restricted.

3. To allow trading with all friendly and neutral countries, as clearly indicated by the trade agreements concluded with the socialist countries.

The Ministry of Economics concluded trade; technical and scientific agreements with countries with which trading was banned before the Revolution due to imperialist pressure. These countries are listed below.

1. The People's Republic of Yugoslavia.
2. The Union of Soviet Socialist Republics.
3. The United Arab Republic.
4. The German Democratic Republic.
5. The Republic of Czechoslovakia.
6. The People's Republic of Rumania.
7. The People's Republic of Poland.
8. The People's Republic of Hungary.
9. The People's Republic of Bulgaria.
10. The People' Republic of China.
11. The Republic of India.

Contacts are under way at present to conclude trade agreements with other countries such as Spain, Denmark, Afghanistan, Morocco, Albania, Finland and Sudan.

The Ministry of Economics is also making the necessary contacts to modify the trade agreements concluded with a few other countries.

The Importance of the New Economic Agreement

The economic agreements concluded after July 14th, 1958, will have a great effect in developing and reviving Iraq's economy, whether in exports, imports, industrialization or technical and scientific aid exchange.

Other advantages are as follows:

1. Diverting Iraq's trade gradually from markets imposed on the country for a long time by imperialism and finding new markets for Iraqi products, especially dates and grains. The same applies to imported goods, especially essential domestic materials and food supplies. In concluding these agreements, the Government considered the interest of both the producer and the consumer. The Iraqi Government also made many efforts to urge and encourage Iraqi date importing countries, such as India and Ceylon, to increase their imports. These efforts have been successful to a great extent.

2. The large increase of Iraqi imports in foreign markets resulting from the conclusion of economic agreements, aided by the implementation of the Agrarian Reform Law, will lead to the increase in agricultural production and to the improvement of its quality. It will also lead to increasing the farmers' income and raising their standard of livng.

3. Economic, scientific and technical agreements concluded with friendly countries will help to a great extent to increase the efficiency of Iraqi technicians and workers.

4. As a result of the conclusion of these agreements, the number of factories and industrial projects increased, giving the people good opportunities for finding work, causing an increase in production, raising the standard of living of all people and averting the dangers of unemployment. This policy has also led to an increase in the value of exports during 1958 to ID. 14,500,000 after it had been falling during the past years from a record figure of ID. 27,000,000 in 1951 to ID. 13,200,000 in 1956 and then to ID. 13,900,000 in 1957. This decline in exports was caused by the stagnation which affected the Western economy, to which Iraq's trade was subordinated before the Revolution.

The deficit in the Iraqi trade balance decreased by ID. 14 million as a result of this policy. In 1957 the deficit was ID. 98 million,while in 1958 it became ID. 84 million. It is expected that this tendency will continue, as the demand for large exports is increasing, and the need for imports is decreasing, due to the industrial projects in hand.

5. Due to the barbaric war waged against the Algerians, it was decided to enforce a strict economical and financial boycott on France. This was done, despite the fact that Iraq's trade with France used to form a large percentage of its external trading.

The Iraqi Delegation to the Economic Council of the Arab League meeting which was held in December, 1958, tried to convince other Arab countries to join in the boycott. As is well known, however, these efforts were opposed by some quarters.

THE FISCAL POLICY

THE largest budget in Iraq's history was the Republican era's first budget. Expenditure reached a record figure, reflecting the size of the development and constructional programmes adopted by the Government.

In an explanatory memorandum on the budget, the Minister of Finance, Sayid Mohammed Hadid, stated:

"The July 14th Revolution, under the leadership of Maj.-Gen. Abdul Karim Qassim, came to free the Iraqi people from imperialism, exploitation and injustice. It is therefore a political, social, and an economic revolution. It has come to lead the people towards a better life and secure equal opportunities for all Arabs and Kurds, and to give them education, health and housing. It secured the participation of Iraq in the liberation of all suppressed Arab nations, such as Algeria and Oman, and guaranteed them assistance in their fight to regain freedom and dignity.

"The Revolution aims at restoring the usurped parts of our fatherland to their rightful owners. It is therefore working towards creating a strong and a powerful army, capable of defending the country against all aggression, and of taking part in maintaining international peace.

"The Revolution has come to do justice to the peasant and restore his land from feudalists and to help him in improving and increasing production, thus securing for him a better living standard. It has come to save the worker from unemployment and hardship, by giving him the opportunity to participate in the growing national industry which employs national capital.

"Ever since July 14th, the Ministry of Finance has worked towards realising these aims. The 1958 budget, which was prepared before the revolution, was modified after July 14th, increasing the allocations of the various ministries for the 1958 fiscal year.

Allocations for education were raised by ID. 2,097,600, and for defence by ID. 2,750,000. Allocations for health, social affairs, agrarian reforms and Algeria were also increased. The salaries and pensions of soldiers, policemen, officers and employees were also increased at a cost of ID. 8,500,705, which was added to the 1958 budget.

"The 1959 budget is but an extension to the plan followed by the Government ever since the very first days of the Revolution, and reflects its deep interest in the people and its determination to wipe out ignorance and improve the health of the worker and the peasant. It also reflects its determination to strengthen the army and give aid to other Arab countries fighting for their independence and liberation.

"If this attempt to create a happy people caused the expenditures of the 1959 budget to reach a record figure of ID. 104,010,880, then that was natural, and in line with the aims of the Revolution of attending to the needs of the people, which are as important as the major development projects."

Table (1) shows the expenditures for the fiscal year 1958 for both the original budget prepared during the old regime and its amended version. The expenditures for 1959 are also shown.

TAX REFORMS

The Minister of Finance indicated in his explanatory memorandum the following:

"One of the most important aims of the finances of the Revolution is the reviewing of the existing tax regulations in order to secure justice in the collecton of taxes, and the sharing in the Government's expenses by all, each according to his capacity. All sectors of Iraq's economy should therefore participate in bearing the load of the expenses of Government services, especially since the population of Iraq is increasing — a fact which will add to the responsibilities of the Government and increase its financial burdens.

"Taxation before the Revolution depended largely on indirect taxes. The contribution of agriculture to taxes was very small and out of proportion to the importance of that sector of Iraq's economy. The collection system was very poor and many people of influence in the old regime avoided paying taxes.

"Although Iraq's economy depends first and foremost on oil and agriculture, together forming more than half the national income, agriculture contributes only about 0.8 per cent of the national income to Government expenses, equivalent to 4 per cent of the agricultural income. The reason for this is that agricultural land and agricultural income are not subject to proportional taxation. Even now, all agricultural taxation is charged only on the sold part of the crop at 10 per cent of its estimated value, and despite it being so low, it is still being evaded.

"The treatment of this situation can only be rectified by imposing a land tax. This step, however, has to be postponed until the greater part of the Agrarian Reform Programme is completed.

"Laws for modifying income tax, property tax and death duties are now being drafted. In drafting the new laws, due attention was given to the fact that Iraq is passing through a transitional period, and that any taxation reforms may have an adverse psychological effect on the national economy. The aim of the new laws, therefore, is to do away with favouritism towards a certain class, and to distribute the burden of taxation in a just, fair way.

"The collection system has been improved and procedures have been organised so as to ensure collections, and prevent the accumulation of taxes.

"To achieve the objectives of the Revolution, every Iraqi is expected to participate in all the services offered by the Government, on a scale proportional to his ability. We hope, therefore, that the people will receive the taxation reforms in a manner consistent with the spirit of the Revolution, since all the income from taxes is employed to the benefit of all the people, and not, as happened before, to the benefits of one class. These reforms will contribute towards increasing the income and decreasing the deficit of the last budget."

The following is a summary of the various departments and directorates attached to the Ministry of Finance:

1. THE DIRECTORATE GENERAL OF RESEARCH AND TECHNICAL AFFAIRS

This Directorate General is responsible for financial, economic and statistical researches, according to which the general financial policy of the State is planned. Banking also falls within the duties of this Directorate General, and below we mention a brief summary of the achievements of governmental banks:

1. The Central Bank

Since the withdrawal of Iraq from the Sterling Area, all Iraq's sterling balances were transferred from the Bank of England to the Central Bank in Baghdad. Some of these balances were changed to gold and rare currencies to strengthen the Iraqi currency and pay for Iraqi imports. The Central Bank is the organisation which exercises effective control over foreign and national banks, and participates in directing the economic and social policy of the Revolution.

Other important tasks of the Bank are classified briefly:

(a) Currency: The Bank controls the issue of currency, and has just completed the issue of new banknotes, and a quantity of new coins.

(b) Supervision over Banks:

The Central Bank was given the authority to supervise all banks operating in Iraq. The Bank has the power to fix the maximum limit of Bank Interest in Iraq, and enforce the boycott with France of all banking concerns. The Bank has made a decision that all foreign contractors and contracting companies should bring to Iraq the capital necessary for their operation and has instructed other Banks to ensure that no overdraft facilities are given to these companies.

2. The Rafidain Bank

General Policy:

(a) The general trend in the policy of the Bank is to provide as many banking facilities as possible. As a result, the number of its clients increased considerably after the Revolution.

(b) The Bank expressed its desire to assist the agrarian reforms by offering a loan of ID. 1,000,000 for this purpose. It also granted loans of ID. 1,000,000 to the Estate Bank to encourage the constructional activities in the country and ID. 500,000 to the Mortgage Bank to help relieve the financial burdens of as many government officials and employees as possible.

(c) The Bank made many improvements in the living conditions of its employees, such as operating a housing scheme, and a health insurance system. It also prepared a lending scheme for employees about to get married and raised the salaries of many.

3. The Agricultural Bank

This Bank is directly associated with the Agricultural activities of the country. When the Agrarian Reform Law was promulgated, the Bank drafted a new bill to enable it to participate in developing the agricultural activities in accordance with the reforms. The most important additions to its services and facilities are summarised below:

(a) Lending to Agricultural Co-operative Societies in accordance with the Agrarian Reform Law and with the guarantee of the Higher Committee for Agrarian Reform.

(b) Lending against the guarantee of agricultural products stored in Grain Board silos, Date Association stores, ginneries, both state-owned and private, and in other officially recognised stores.

(c) Lending to fish breeders and growers.

(d) Establishing go-downs and warehouses for storing dates, grain and other agricultural products and helping in selling them against a commission.

(e) Starting a saving scheme with interest for farmers and growers.

(f) Other services related to agriculture.

To meet the increased activities, the nominal capital of the Bank has been increased to ID. 10 million.

4. The Estate Bank

The activities of the Estate Bank are concerned with giving loans to assist in the building industry. Since the start of the Revolution, the Bank has introduced many new principles to help people benefit from the activities of the Bank; these can be summarised as follows:

(a) Reducing the interest on the Bank's old housing schemes in Baghdad, Kirkuk and Sulaimaniyah from 3 to 2 per cent.

(b) Instalments on Ma'moun City were extended from fifteen years to twenty-five years, and the interest reduced to 2 per cent.

(c) Many houses and plots were sold to the general public at low prices and on extended terms of payment.

(d) Long term loans with up to five years for repayment were granted to low income government employees.

(e) Decreasing the down payment on loans from 50 to 30 per cent.

5. The Mortgage Bank

The Mortgage Bank has achieved the following since July 14th, 1958:

(a) A special law was passed allowing the Bank to lend workers an amount equivalent to two months wages.

(b) Action was taken to facilitate procedures and formalities for studying loan applications, and routine was cut to a minimum, allowing the applicant to receive his loan three days after submitting the application. As a result, Bank activities increased and loans paid during the past fiscal year reached ID. 1,193,133.

THE DIRECTORATE GENERAL OF FINANCE

This Directorate General is responsible for all the financial laws and regulations and for their amendments. The most important of the laws amended by the Directorate General are:

1. The Civil Service Law.
   Many amendments were introduced to the law, all aiming at improving the general condition of government officials and employees. One of its important decisions is to grant female employees a six-week leave at full pay before and after childbirth.

2. The Civil Pension was amended to increase the number of people benefiting from this law. Efforts are now being made to draft the necessary legislation to cover employees of semi-governmental departments with a pension system.

3. It was decided that employment on a daily or net monthly basis may be made, with the approval of the Council of Ministers, to meet shortages in certain departments. Persons so employed can then receive greater salaries than they would if they were appointed according to the Civil Service Law. This procedure was used to fill some technical posts.

4. Previously, various ministries were authorised to award contracts of up to ID. 5,000 without obtaining first the approval of the Ministry of Finance. This limit has now been increased to ID. 20,000 to facilitate the work of the ministries without too much delaying routine.

THE DIRECTORATE GENERAL OF PENSIONS

The amended Military Pension Law was enforced on January 1st, 1959, giving pensioners many advantages by increasing their pensions and giving to those completing twenty-five years service a bonus equivalent to one year's full salary.

An amendment to the Civil Pensions Law was also announced, covering all Government employees (apart from salaried governmental officials) with the rules of the Pension Law of 1940.

THE DIRECTORATE GENERAL OF MIRI LAND AND PROPERTY

This Directorate General undertakes to secure housing for the general public. This is achieved in two ways: first, Miri land (state-owned) is sold to municipalities, at reasonable prices, to be divided into plots, built upon, and sold at reasonable terms: second, state-owned land is sold to co-operative building societies, who divide it into plots and sell it to their members at reasonable prices.

THE DIRECTORATE GENERAL OF CUSTOMS AND EXCISE

Since the Revolution, this Directorate General undertook to amend many laws, to help and encourage national industry. It also suggested to the Ministry of Finance that all relations with the Crown Agency be severed. The suggestion was accepted and all purchases are now being made through the Central Foreign Purchases Committee.

In addition, many customs posts have been built all over the country, and many others are being constructed.

THE DIRECTORATE GENERAL OF INCOMES

This Directorate General participated with the Directorate of Research and Technical Affairs in drafting the new Estate Tax Law which replaced the Property Tax Law. The new law enforces the principle of proportional taxation on estates and introduces the system of the central collection of taxes. The Directorate General is working now on collecting all overdue and accumulated taxes.

THE DIRECTORATE GENERAL OF INCOME TAX

This Directorate General drafted the new Income Tax Law, the most important points of which are:

(a) Income tax on incomes up to ID. 8,000 per annum remained unchanged, but the tax was increased on incomes over that figure. The maximum tax is 60 per cent on incomes over ID. 20,000 for residents in Iraq and 60 per cent on incomes over ID. 10,000 for non-residents. The old law also

applied to companies of up to ID. 12,000 annual income. Over that figure, companies with limited liability are taxed more than companies with public shareholding. The former are taxed at 40 per cent between ID. 12,000 and ID. 15,000 incomes, while the latter are taxed at 40 per cent for incomes at or more than ID. 12,000.

(b) Incomes of the same person from various sources are added together for the purpose of taxation. Taxation on the profit of shares in companies, etc., is collected through the companies concerned.

(c) All contributions made by individuals or companies to various charitable organisations and to governmental and semi-governmental departments are deducted from the income for the purpose of taxation.

(d) Personal exemption was left unchanged, but an additional exemption of ID. 100 is granted to the aged, blind, and to married people if both husband and wife are salaried.

The Directorate General has also improved the system of collection and income estimation.

THE DIRECTORATE GENERAL OF I'ASHA

This Directorate General looks after the distribution of flour to licensed bakeries, where loaves and bread are sold for the public at subsidised prices (e.g. a 200 gram loaf costs 8 fils). The Directorate General has constructed a number of modern bakeries in various towns in Iraq. The modern Baghdad bakery, capable of producing 600,000 loaves daily, commenced production in June 1959.

The Directorate General employs over 700 persons and provides work for about 9,000 workers, contractors, and the like.

TABLE 1

A Table showing the Expenditures of the Fiscal Years 1958 – 1959, according to the purpose of spending and the percentage increase.

Purpose of Spending	Allocations for Fiscal Year 1958				Allocations for Fiscal Year 1959		The Increase in the Allocations of the 1959 Fiscal Year over those of the 1958 Fiscal Year		
	Original Allocation	Percentage of Total	Amended after the Revolution	Percentage of Total	Allocations	Percentage of Total	Increase	Percentage Increase	Percentage of Total
National Defence	25,450,000	32.2	28,200,000	32.1	34,081,000	32.7	8,631,000	33	34.9
Education	13,411,490	16.3	15,670,430	18	21,083,250	20.2	7,671,760	57	31.0
Administration and Security.	7,266,230	9.4	* 7,435,350	9	8,753,940	8.4	1,487,710	21	6.1
Social and Health Affairs.	6,846,810	8.1	6,811,720	8.2	7,896,770	7.7	1,049,960	17	4.1
Economic Affairs.	3,046,885	4.3	3,922,605	4.6	* 3,483,590	3.3	436,705	14	1.4
Works and Communications.	3,443,190	4.5	3,474,640	4	?+4,201,840	4	758,650	52	3.1
Pension Salaries and Pension Bonus.	3,038,500	3.9	3,788,500	4.6	5,078,500	4.9	204,000	67	1.0
Ministry of Finance (incl. contributions to Algeria)	4,093,540	5.3	3,963,370	4.7	5,869,710	5.7	1,776,170	43	7.2
Other Expenditures	10,761,788	16	12,592,523	14.8	13,562,280	13.1	2,800,492	26	11.2
	77,358,433	100	86,859,138	100	104,010,880	100	24,816,447	33	100

* As prepared in the old regime; + Including the ID. 450,000 contribution; ? Not including ID. 2,000,000 loan to Agrarian Reforms.

TABLE 2

A Summary of Revenues

Revenues	Sums, ID. for 1959
Section I — Income Tax	51,900,000
Section II — Customs and Excise dues	28,645,000
Section III — Agricultural Taxes and Dues (Land Taxes and Consumption Dues)	2,621,500
Section IV — Property Tax	1,600,000
Section V — Sundry Dues (Stamps)	1,000,000
Section VI — Posts, Telephones and Telegraphs	2,833,500
Section VII — Government Departments	3,617,700
Section VIII — State Organisations and Projects	1,727,600
Section IX — Various Sundry Revenues (Stoppages of Pension Salaries)	1,398,200
Total	ID.95,343,500

COMMUNICATIONS

AT the start of World War I, there were no roads and railways worthy of the name in the country, but during that war, and again during World War II, some temporary roads and railways, and one or two military airports were constructed. These, until very recently, were all that Iraq had in the field of communications. But when Iraq's share of oil was increased, and 70 per cent of the revenue was allocated for development, a number of programmes for road communications were planned and British engineers were brought into the country to design them and supervise their construction. Some time later it was discovered that most of these engineers knew very little about road design and construction. These were promptly discharged, but only after they wasted much money and delayed the programme by at least four years.

Engineers of various nationalities were then engaged to review the designs, and supervise the work. At present, there are eight major roads completed, two in the north, one in the south and the others in central Iraq, totalling 382 km. Ten more roads are now under construction (total length 663 km.) five of which are in the north and the others in the centre. Six more roads, totalling 425 km. are now being prepared for tender.

The Directorate General of Roads and Bridges is also undertaking a programme of road building. There are 640 km. of proposed roads ready for construction, with all surveys completed. The Directorate General is working now on the surveys and designs of 224 more km. In addition, the Directorate General looks after the maintenance of 2,200 km. of metalled roads and 4,200 km. of unsurfaced roads.

Completed bridges total twelve in all parts of the country, including some major ones in towns, and others on major roads. At present, work is under way on the Abassiyah Bridge on the Euphrates, and specifications are now being prepared for eight more, three of which are in Baghdad, one a railway bridge in Nassiriya, and the others are for motor traffic in Gurrmat Ali, Abi Shkhair, Fallouja and Qayarah. Other bridges under construction are Fanwa Bridge, eight bridges on the Dokan/Ranyah Highway, and four others in various parts of the country.

THE DIRECTORATE GENERAL OF RAILWAYS

Work completed by July 14th, 1959:

(a) Baghdad North and Baghdad East Stations were discontinued and the railway lines were diverted to the new station.

(b) The Basrah Station was discontinued and the lines were diverted to the new station.

(c) A new shed was completed for housing metric and wide gauge railway engines.

(d) A new wide gauge line was built between Baghdad and the Dora Refinery.

(e) A new warehouse was built for the storage of goods for the Mosul train.

(f) A model village for railway employees was built.

(g) A number of housing schemes were completed in various parts of the country for the use of Directorate's officials and employees.

(h) Unions for railway employees were licensed.

(i) Additional rooms were built to houses constructed during the old regime for the residence of railway officials.

Work is expecteed to start shortly on constructing a wide gauge line between Baghdad and Basrah, while two new warehouses, each having a capacity of 30,000 tons will be built in Shalchiyah.

THE DIRECTORATE GENERAL OF POSTS AND TELEGRAPHS

This Directorate has been working since the Revolution to expand and develop the wireless and telephonic network. Telephone exchanges were enlarged and two new short-wave transmitters were installed. In addition, three wireless receivers are expected to be installed shortly. An extensive pogramme has been completed to construct a number of post, telegraph and telephone buildings all over the country and plans are now complete for an eight-floor building to be the headquarters of the Central Telephone Department. The Directorate is endeavouring now to reopen its training school.

A new agreement was concluded with the People's Republic of Bulgaria to develop postal, telegraphic and wireless services between both countries. Direct airmail deliveries were organised with all socialist countries.

THE DIRECTORATE GENERAL OF IRAQI PORTS ADMINISTRATION

After the Revolution, this Directorate dispensed with a great number of foreigners, replacing them with Iraqi workers. It also sent a large number of students abroad for specialisation and technical training.

In addition, a vaccination centre, many stores and sheds in Fao, and a wooden wharf were all completed. Teleprinters between Basrah and Bahrain were installed for continuous operation.

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CONSTRUCTION AND HOUSING

1. Private Buildings

After World War II, Iraq emerged, as other countries occupied by foreign forces throughout the war, with enormous sterling balances accumulated in London and pending negotiation. The purchasing power dropped and the constructional activity in the country was limited to a few military barracks and other installations and a small number of houses necessitated by the increase of population in the cities and towns.

The formation of the Development Board and the increase in Iraq's share of oil revenues attracted many foreign companies to open branches in Iraq. Demand for houses increased therefore, and so did rents, a factor that encouraged capital owners to invest in this field. In consequence, building activities were renewed and many new districts came into being in the suburbs of large cities, particularly Baghdad. Demands for houses increased and rents rose beyond reasonable limits, as did land prices. The Doxiades Foundation was then called into the country to study the housing crisis and prepare the necessary housing schemes. The Foundation started to prepare designs for experimental houses and put them out to tender before it had time to study the conditions prevalent in the country and the materials used for building.

The housing shortage became very acute and land prices rose more than ever, causing much hardship to employees and officials with small incomes. The government complicated the issue, probably intentionally, to distract the attention of people from the international situation. The ruling class and members of the royal family benefitted from this situation and from development programmes which were manipulated to increase the prices of their land. This benefit, however, was at the expense of the general public.

One of the first steps of the Government of the Revolution therefore was to decrease rents by 20 per cent., thus lightening one of the heaviest burdens weighing on the people. Many plots of state-owned land were sold at reduced prices to members of co-operative building societies to encourage them to build their own homes.

2. Public Buildings

Many public buildings during the old regime were used for purposes other than that for which they were designed. Such buildings were therefore unsuitable and improvements and additions to them were of no avail. The new policy was directed to constructing new public buildings of modern design, equipped with all facilities and health requirements. Designs are now complete for a number of hospitals, schools, government departments, and slaughter houses. A design for a governmental centre including all ministries and public services is also under consideration. In addition, plans are ready for a number of stadiums.

Construction will begin shortly on the following projects: The Medical City (2,000 beds), Kadhimain Hospital (320 beds), Amara Hospital (222 beds), Karkh Hospital (320 beds) and the Basrah Hospital (505 beds).

The new building of Baghdad University will be started shortly. It will contain study and living quarters for 22,000 students plus the teaching staff.

3. Housing

Housing schemes cover all Iraq. They include experimental houses, houses for workers and employees of state-owned factories, and basic designs for towns. Schemes completed so far include about 4,911 houses all over the country. Seven schemes are still under construction totalling 6,374 houses and costing ID. 5,872,933. Tenders have been received for seven new schemes totalling 4,985 houses.

Schemes approved

Twenty-five tenders for housing schemes, totalling 13,806 houses, are now ready for advertising. During the period from September 1958 to April 1959 nine tenders were awarded to Iraqi contractors and most of them will be completed during the next year. These include tenders for the construction of 259 houses in Amara, 286 houses in Nasiriyah, 154 houses in Sulaimaniyah, 30 houses for the Sugar Factory in Mosul, 152 houses in Arbil, public buildings for the Mosul housing scheme, public buildings for the Debis housing scheme, two villages for Greater Mussayab Project, and the development work of the Baghdad West Housing Scheme, including roads, sewerage and electricity.

Many plots were prepared for long period lease.

Schemes under study

Sixty-three schemes are being studied by Iraqi engineers. In addition to housing schemes, they include rural reform schemes.

After the termination of the contract of Doxiades, many foreign engineers were replaced by Iraqis and the work of the various housing departments was included within the duties of the newly formed Ministry of Works and Housing.

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LOCAL DEVELOPMENT

DEVELOPMENT projects during the old regime were confined to the major cities and towns, and in the regions of large feudalist estates. This inevitably led to land speculation and was of a particular advantage to feudalists and large landowners. For this reason, the Government of the Revolution worked towards spreading development to all parts of the country. Attention was given to local development programmes, such as water schemes, electricity, roads, the construction of government buildings, and some light and rural industries.

Since all this work falls within the boundaries of municipalities and local administrations, the Development Board granted these authorities the necessary loans to carry out the required work.

The following summary illustrates some of the activities of local administration:

1. Amanat al-Asima (The Municipality of Baghdad)

Since July 14th, 1958, the Municipality has been working on preparing the designs for the construction of roads all over the capital, together with rain water sewers, public squares, street gardens and public gardens. Various markets for agricultural crops and fish were built and others will be completed soon. The requisitioning of land necessary for three new streets was completed, eleven streets were constructed and a sewer for twenty streets was also completed. A start has been made on constructing ten more streets and the sewers for thirty more.

2. Municipalities in Other Liwas

The activities of municipalities are concentrated on various public schemes, such as constructing streets, markets, parks, slaughter houses and public baths. To finance these projects, the Municipalities depend on their own budgets and on the help of the Government in the form of loans and contributions. The Development Board loaned to the Ministry of Interior a sum of ID. 2,000,000 for road building and metalling within municipalities' boundaries. On April 1st, 1959, the Board granted a loan of ID. 4,615,393 to all municipalities in Iraq, in addition to loans given individually to the various municipalities. Total sums loaned reached ID. 28,997,900 to be paid back in fifty years. This undoubtedly represents a major contribution towards raising the standard of the people.

The Government of the Revolution paid special attention to securing drinking water and electricity for the people in various parts of the country. During the past ten months many new schemes have been completed and are at present in operation. In Zakho three A.C. power generators with an output of 240 kw. were installed and a new network was constructed for the distribution of this power. Another scheme of 150 kw. was constructed in Aqra, and in Dohuk two new sets totalling an output of 200 kw. A.C. were added to the existing power station. A modern generating station of two sets, developing 500

kw. together with two 1200 kva transformers, was installed. An A.C. station of 270 kw. output was installed in Penjwin and another of a similar type and 150 kw. output was installed in Makhmour. An additional set of 600 kw. A.C. complete with control and distribution panels and with a 1,000 kva transformer was installed in Nasiriyah and a 270 kw. station was installed in Tawila. Electricity was introduced in Qal'at Diza for the first time when a power station with a 160 kw. output with all additional equipment and accessories was installed there. The old D.C. station in Kifri was scrapped and a new A.C. station developing 200 kw. was built. A set of 100 kw. D.C. was added to Halabcha electricity station. In Rawanduz two sets each of 200 kw. output were added to the power station, together with the necessary transformers, and in Shaqlawa two additional sets, each developing 200 kw. were installed, together with all control and distribution equipment for the purpose of securing electricity during the tourist season. In Majar Al-Kabir, a new electricity scheme, made up of two A.C. sets each developing 200 kw. was installed. Two sets each developing 200 kw. were installed in the pumping station in Hindiya. In Suq Al-Shuyoukh a new station was built with two sets developing 200 kw. with all accessories, and in Diwaniya a station of 200 kw. was installed to supply power to the pumps of the water scheme. In Nu'maniya a modern station of 200 kw. A.C. was installed to supply power to water pumps. Other stations are now being built in Ali Al-Gharbi, Rawanduz, Abu Al-Khassib, Baladruz, Mandeli and Miqdadiya.

The water scheme in Nasiriyah, which has an output of 1,512,000 gallons per day, was completed; together with the Khedir Water Scheme, which has a capacity of 260,000 gallons per day. In Twairij the existing water scheme was enlarged to an output of 1,008,000 gallons per day. Also completed were the water schemes of Hindiya, output 540,000 gallons per day, and Dujaila, output 259,000 gallons per day.

Water schemes under construction to be completed soon are: Diwaniyah—1,440,000 gallons per day; Ramadi—1,152,-000; Shamiya—576,000; Nu'maniya—547,000; Suq Al-Shuqoukh—547,000 and Ali Al-Gharbi—345,000. Up till now the number of municipalities having water schemes is 53 and those with electricity schemes, 105.

Due to the importance of the role that could be played by municipalities in contributing to the development of the country, a new ministry, the Ministry of Municipalities, was recently formed.

ECONOMIC PLANNING

THE economic status prevalent in the old regime was near chaos, as was clearly seen in the previous chapters dealing with the various sectors of Iraq's economy, i.e, agriculture, agrarian reform, industry and industrialisation, oil policy, trade policy, financial policy, construction and housing and local development. The leaders and experts of the Revolution had only general principles to apply to events as they were brought to their notice, but as a result of their observations, evidence accumulated of the necessity for replacing this disorderly economy with a unified economic plan for the Republic of Iraq. Following carefully the affairs of the Development Board, the first unsuccessful attempt in planning an economic programme, convinced the leader of the Revolution to adopt the principle of economic planning.

The Development Board was establsihed in 1950 to supervise the spending of the loan granted to Iraq by the World Bank for construction of the Wadi Al-Tharthar Project for flood control, and to prepare "a general economic and financial plan for developing the income of Iraq and raising the standard of living of its people." In 1952, 70 per cent of oil revenues were allocated to the Development Board to finance its projects.

The Board was conceived as an independent organisation responsible for drafting the general economic plan for the country, and, after the approval of Parliament, for its execution. The Ministry of Development was established in 1953 and the Minister of Development represented the Board at the Council of Ministers and was the link between the Board and Parliament.

During the period between the establishment of the Development Board and the start of the Revolution, there were two programmes: the First Five Year Programme (1951-1955) during which a few minor and limited achievements were attained and can be summarised in the completion of the two major projects of Habbaniyah and Wadi Tharthar. It is worth mentioning that the first project was started before 1951.

Sums allocated for the first programme exceeded ID. 155 million, though only about half of this sum was actualy spent, because projects included were not based on the necessary studies and surveys to plan a successful operating programme. The execution of the projects was slow and ill-considered. The second Development Programme 1955-1959, to which another year was added to become the 1955-1960 Programme, has an allocation of ID. 500 million to be spent during that period on the various sectors of economy. Until the start of the Revolution, the money actually spent on various projects was ID. 250 million. In general, however, this programme was from two to three years behind schedule. Most of the projects included in the Second Five Year Plan are still under investigation and study, although three and a half years have elapsed since the start of the Plan.

Economic and Planning Errors in the First and Second Programme:

All factors were favourable for a major development movement and quick economic achievements. Money, manpower, natural resources and scope for investments were abundantly available and it was possible to benefit from foreign experience. But what actually materialised was a paralysed development policy and minor and disjointed achievements. While the enormous oil revenues were changed into a few huge buildings and unsuccessful highways that do not link the important cities and towns, a good amount of the revenue found its way into the engineering consultant companies in the form of fabulous fees and payments, whilst another considerable part went to the officials controlling the Ministry and the Board and to people of influence in the old regime, through unjust requisitioning and pre-arranged agreements with some contracting companies.

This clearly indicates that there were very serious and essential errors in the former development policy, which paralysed development work, diminished and limited its achievements. The mistakes can be summarised as follows:

1. There was neither a sound economic basis for the general programme, nor any economic planning in the accepted sense. What actually happened was that huge sums of money were distributed for the main expenditure aspects.

It was known through engineers of the various technical sections of the Development Board that the Second Programme 1955-1959 and all its projects were insufficiently

studied. They told of how they received instructions to hasten the completion of the studies of the projects assigned to them, to submit them to the Council of Ministers and Parliament within the specific time. This clearly indicates that projects included in the Programme were not given thorough study, and that the importance of these projects in relation to the national economy was not correctly assessed.

2. The concentration on projects of flood control dams, roads, bridges and public buildings was excessive and unjustified, and led to an unbalanced economic development. Despite the importance of these projects and their indirect contribution to an economic revival, they lead to no direct increase in the national income, i.e. they caused no increase in goods produced nor in production services and they did not secure continuous employment for the worker.

As a result, these projects did not create momentum in economic development, neither would they be able to attain continuous economic growth in case oil revenues were stopped for any reason. About 75 per cent of investments of the General Programme and the Second Programme were of this type, whilst industrial, agricultural and productive projects, all of which directly increase production, were overlooked.

The emphasis on these social investment projects also increases the risk of inflation, as money is being spent without an appreciable increase in production and productive services, leading to increased imports and a decrease in purchasing power.

3. Industrialisation was given a secondary place in the First and Second Development Programmes. It is a fact that of the First Programme only ID. 2 million was spent on industrial projects, and that most of this sum was spent on investigations, studies and engineers' salaries. Not a single scheme was executed.

The Second Programme allocated ID. 67 million (or 14 per cent of the General Programme) for industry, mineral researches and electricity. Although this percentage was very small in relation to the importance of industrialisation in the economically underdeveloped countries, it can be stated that even this small percentage was misspent. At the start of the Revolution, the only projects in operation were two cement factories, an asphalt refining plant, a sugar factory and a textile and weaving factory. The main power stations in Debis, Baghdad, and Basrah were under construction (the Debis station is operating now.) The other projects, those of natu-

ral gas, sulphur extraction, paper manufacturing, steel production and other vital industries were only started after the Revolution, although they were scheduled for completion on March 31st 1960.

4. The agriculture problem was superficially and incorrectly treated, without attempting the radical solution of the ownership of land and feudalism which derived the greatest profit from irrigation and drainage projects. It is known that the major irrigation projects, such as dams, reservoirs and the like were financed from oil revenues. These projects caused an increase in the prices of land, most of which belonged to feudalists, an increase which is almost equivalent to the amount of money spent on the projects. It is therefore logical to assume that oil revenues which belonged to all were transferred through irrigation schemes to the pockets of feudalists and landowners, leaving the peasant and the ordinary man as poor as ever.

5. Money was spent on projects that have no relation to national economy, such as the former Royal Palace (now the Republican Palace) and other buildings of the same type. Such schemes cannot possibly be called development schemes, but can very aptly be called wasteful schemes designed primarily for the advantage of a certain class.

6. The incompatibility between governmental projects and private projects. An example of this is the establishment of the second state-owned cement factory in Hammam Al-Alil near Mosul, which flooded the market with surplus cement, hitting hard the private cement factories which already produced sufficient for the market.

7. Iraqi engineers and technicians were neglected and the work of development was assigned almost wholly to foreigners. There was no plant to train Iraqi engineers and technicians to replace foreign engineers.

It can be seen from all this that the Development Board was, until the dawn of July 14th, 1958, an arena in which many crimes were committed. Of these crimes we mention as examples: granting illegal concessions and giving a free hand to some contracting and consultant companies to exploit the finances of the Board, giving advances to contractors without bank guarantees, distributing millions to influential personalities of the Board and their friends through requisitioning their land against fabulous prices, neglecting Iraqi

engineers and technicians and depending on high salaried unproductive foreign engineers.

It was not surprising, therefore that the Government of the Revolution promptly cancelled all illegal concessions and privileges enjoyed by some contractors, consultants, and people of influence in the old regime, and applied strictly the contracts of these companies, thus saving the rights of the Board and of the people.

The Development Board during the old regime granted some companies the right of financing their projects by a bank overdraft against an Iraqi bank covered by the guarantee of a foreign bank. This arrangement meant that projects were actually financed by an Iraqi capital, while profits were obtained by a foreign company. Added to this the fact that some contracting companies used to apply to and obtain from the Board substantial money advances without adequate guarantees. All this led to the Board introducing, after the Revolution, the principle that all contracting companies should bring into the country enough capital to finance their projects and to stop giving advances without a firm guarantee. Advances previously granted were deducted from periodical payment usually made on the finished part of the scheme.

The Development Board during the old regime agreed to substitute bank guarantees for payment suspended according to the terms of the contract. This principle was cancelled after the Revolution as the only real guarantee is cash deposited with the Board. Apart from this, the Board adhered strictly to the terms of the contracts and asked the contracting companies to do the same. But some of these companies, which were used to obtaining monetary advances and privileges with ease, could not carry on under these conditions. The Board was forced therefore to use its legal right and terminated their contracts. These companies included Contracting and Trading Comanpy (C.A.T.) on the Kirkuk/Sulaimaniyah Road; William Press Company on the Jalowla-Derbendi Khan; Vianini Company on the Baghdad-Kut Road and Dijla and Sarraji on the Meshahda-Samarra Road. The Board is now carrying on with the completion of these projects at the expense of these companies.

No less serious were the agreements signed by the previous Development Board with consultant companies for preparing the technical specifications and supervising the construction of various projects.

These agreements allowed for consultation percentages much higher than and sometimes twice those generally accepted as an average. As a result of the evidence and remarks of the technical sections of the Development Board, it was decided to review the contracts of some of these companies, amongst them Tippets, Abbot and Macarthy and Stratton Engineering Company, which was responsible for consultation on a number of irrigation and drainage schemes such as Shatra Drainage and Gharaf Regulators. After a careful study of all financial, legal and technical objections against this Company, the Board decided to terminate its contract.

Other consultant companies whose contracts were terminated for the same or similar reasons include Ammonia Cazalla (fertilizer project), Ipasco (natural gas project), Ipcon (fine textile project), McKenzie (steel project), Site Investigation (mineral and geological survey), Airabdous (Sulaimaniya Sinjar project) and Edward Kelsey (Nasiriyah—Diwaniyah highway).

The Board also put an end to speculations and price manipulations of requisitioned land and investigated a number of cases which took place during the old regime, the most important of which is the case of land requisitioned for the Baghdad University.

In addition to all this, the Board inherited numerous errors and obligations towards contractors. But it was obliged to carry on with projects under construction, trying as much as possible to introduce the necessary reforms and ensure maximum possible savings. An example of this was the contract for the construction of the former Royal Palace, where it was possible to agree with the contractors to cancel some additional contracts and to replace some of the imported materials with locally manufactured ones, thus securing a substantial saving.

The Development Board reviewed the Development Programme (1955-1959) in the light of the interests of national economy to avoid the mistakes committed during the old regime, to cancel out all projects inconsistent with the interests of the economic revolution, and to rectify others by checking their designs and introducing to them the necessary adjustments. In reviewing these projects, special attention is paid to economy, to save on their expenditure, and rely as far as possible on materials available locally, and on Iraqi sub-co-

ntractors. The element of time is emphasised and the departments concerned are instructed to speed all projects under their direction. Another positive achievement in the field of economic growth and development is the training of Iraqi technicians and ensuring that Iraqi hands are given all the sensitive posts in the execution of the development programmes. The Government also ensured that development programmes covered all parts of the country, and applied this principle to the housing schemes which were started after the Revolution. Also achieved were numerous vital urgent industrialization and housing projects, which were neglected during the old regime. In the field of industry, a good start was made with the signing of the Technical and Economic Agreement with the Soviet Union as explained in a previous chapter. The Development Board participated actively in municipal programmes by granting loans to local authorities to be spent on various municipal projects.

Another example of projects reviewed and basically altered is Baghdad University. The design of the University was altered according to the directions of the Prime Minister, enlarging its various sections, especially the library, the assembly halls and the boarding section.

Irrigation projects basically altered were previously studied in the chapter dealing with Agriculture. These projects include the Derbendi Khan Dam, the Bakhmah Dam and the drainage schemes.

A large expansion in housing was apparent after the Revolution. Many houses have been completed and many others are still under construction. Amongst them is a scheme for 2,716 house for army officers, of which 100 houses were inaugurated on July 14th, 1959. Generally speaking, all new houses have seen their designs altered to increase their areas and the number of rooms they contained.

The Development Board paid special attention to basic town planning, which includes a long term administrative, economic, social and technical policy, derived from the actual activity of the town and its expected future development.

The technical sections concerned have prepared basic designs for Kerbala, Sulaimaniyah, Kirkuk, Amara Arbil, Diwaniyah, Nasiryah, Najaf, Alkufa and Abu Skhair. The Development Board also approved the addition of principle towns and Kadha centres, in particular those whose popula-

tion is more than 10,000, for the purpose of conducting the necessary studies and drafting the basic plans for these towns and cities.

In the fields of industry, mining and distribution of electricity, broad lines for great achievements in the immediate future were put down. As a result of studies and negotiations conducted in Baghdad and Moscow, a Technical and Economic Co-operation Agreement was concluded between the Republic of Iraq and the Soviet Union, which includes the establishment of the following factories:

Steel and foundry, chemical fertilizers, sulphur extraction from natural gas and production of sulphuric acid, electrical appliances, electrical bulbs, glass, cotton textile, woollen textile, tricot (stockings and lingerie), tailoring, canning of fruits, vegetables and meat, caustic soda, plastics. The Agreement also provides for carrying out geological surveys all over Iraq, which will be the basis for the expected industrialization plan. These projects will be completed between 1961-1964. Agreement was also reached with Technoexport Foundation in Czechoslovakia, for establishing a modern people's shoe factory, producing one million pairs of shoes a year. This factory will be ready in a period not exceeding two years.

In addition, the agreement concluded with the Soviet Union includes other projects and studies in the fields of agriculture, irrigation and communication, most important of which are the factory of agricultural machinery, expanding the workshop of repair and assembly in Shalchiya, improving Basrah port, studying river navigation in the Tigris, Euphrates and both Zabs, surveying the control reservoirs of the higher Euphrates, studying the possibility of building Alfat'ha dam, controlling the waters of the Tigris river between Amara and Qurna, offering technical aid and training to the Iraqi peasant on the modern agricultural methods and use of fertilisers, and building two silos for grain storage.

As for industrial financing, the Development Board increased the capital of the Industrial Bank by ID. 1 million. Thus the paid-up capital had become about ID. 5 million. Generally, necessary steps were undertaken to strengthen the Bank, and prepare it to play a more active role in encouraging and raising the standard of industry all over the Republic.

In reviewing and improving the former development programme, in cancelling the contracts of some consultant or

contracting companies, adding new projects to the programme and concluding a technical and economic agreement with the Soviet Union, the Government found in all these procedures temporary and partial solutions, which cannot replace the urgent necessity for drafting a general economic plan covering all aspects of state-owned and private economy, and for finding a central system efficient enough to plan the national economy.

The Government of the Revolution therefore decided to adopt the principle of economic planning. It formed the Ministry and Board of Planning, in conformity with the Executive Authority Law No. 47 of April 4th, 1959.

The Board of Economic Planning comprises the Prime Minister as Chairman and the Ministers of Planning, Finance, Industry, Agrarian Reform, Agriculture, Communications and Works, Housing and Social Affairs. If need should arise, the Chairman has the right to ask any other minister to join. The duties of the Board are as follows:

(a) Drafting detailed plans to execute the economic policy of the Council of Ministers.

(b) To study and modify the detailed economic plan submitted to it by the minister.

(c) To undertake the necessary procedure for supervising the execution of the detailed economic plan.

The Board of Economic Planning carries out its duties under the following conditions;

(a) The Prime Minister plans the basis of the economic policy and the budget of planning for the fundamental projects provided it will not be less than 60 per cent of the total oil revenues.

(b) The Council of Ministers decides upon the detailed economic plan and orders its execution.

The Ministry of Planning drafts the detailed economic plan, decides the budget of planning for the fundamental projects, and provides workers for the execution of the plans provided and, in so doing, the Ministry follows the directions of the Council of Ministers and the Board of Economic Planning, and the suggestions and plans of the ministries concerned.

THE ECONOMIC ORGANISATION

IT was necessary to adopt the principle of economic planning for developing the Iraqi economy, on the basis of a general economic plan, drafted and its execution supervised by the Ministry and Board of Planning. The implementation of such an economic plan requires an efficient executive machinery, with full specialization and proper functional distribution. It was essential therefore to study and reform the economic system inherited from the old regime.

The old executive economic system which was made up of the Ministries of Finance, Development, Economics, Communications and Works, Agriculture and Social Affairs, showed two distinct features:

(a) Economic duties and formations of basically divergent natures were included in one executive system, as for example, the case in the Ministries of Development, Economics, and Works and Communications.

(b) Economic duties and formations of basically similar natures were scattered over a variety of ministries. For example, industrial duties were distributed amongst the Ministries of Development, Economics and Works and Communications, and construction duties amongst the Ministries of Development, Works and Communications, and Education, and those of local development amongst the Ministries of Interior, and Social Affairs etc.

These two features were closely interwoven and led to a decline in efficiency and productive capacity of the system, due to their contradiction to the principle of specialization and functional distribution. They were most conspicuous in the Ministry of Development, which duly acquired the title "The Unproductive Empire."

The purpose of forming the Development Board in 1950, and later the Ministry of Development in 1953, was to facilitate foreign supervision, even domination, over development projects. It was the World Bank which suggested the formation of the Development Board, and considered it as one of the conditions in approving the loan for financing Al-Tharthar project. Since the British and United States Governments were the controlling shareholders of the World Bank, a representative of each Government was delegated to the Development Board. The two representatives were still in Iraq at the time of the Revolution.

The other reason for the independence of the Development Board and its isolation from the other economic systems in the country was the lack of political settlement resulting from the isolation of the Government from the people. The budget of development was roughly double the normal budget of the Government, i.e. more than a quarter the annual national income. To limit the investment work of this huge development budget to one ministry, despite the variety of its spending, led to an inflated executive system and a drop in efficiency.

This economic concentration has an element of risk also, since any mistake or fall in efficiency will have repercussions in the rest of the government system. There may also be a political risk, due to division of authority between the Prime Minister and the minister in charge of such an inflated system. Also, each technical section in the Ministry of Development had its equivalent in other ministries. For example, the First Technical Section (responsible for flood control, irrigation and drainage) had an equivalent in the Directorate General of Irrigation in the Ministry of Irrigation. The Fourth Technical Section (Agricultural Researches) had an equivalent in the Directorate of Agricultural Research, also in the Ministry of Agriculture. This duplication of the duties in irrigation and agricultural research between two ministries was bound to lead to (1) the squandering of the limited technical possibilities distributed over the activities of two separate departments, and (2) the isolation of the irrigation policy from the agricultural policy.

The success of the agrarian reform policy depends, to a large extent, on the unification and harmony of securing irrigational waters and land distribution, in addition to the improvement of agricultural crops through applying scientific methods based on agricultural research.

The Second Technical Section of the Development Board, responsible for roads, bridges and public building construction, was an exact copy of the Directorate General of Buildings and the Directorate General of Roads and Bridges. This duplication could only lead to confusion and chaos. The Fifth Technical Section, responsible for housing, needed a thorough study of the principles involved and the functional distribution. Housing schemes were unproductive, in the sense that they did not help to build the foundations of economy, as do heavy industries and communications. Such housing sche-

mes, especially those for sarifa dwellers and the limited-income class, represent one of the social services of the State, which can offer housing in two stages — firstly, by selling State-owned land at reduced prices and secondly by offering money, either through the Estate Bank, by increasing its capital, or by loans to co-operative societies, thus encouraging the building movement undertaken by the middle-income class. Government housing schemes to solve the problems of sarifa dwellers can then be transferred to a ministry specialised in building and housing affairs, and the Fifth Technical Section attached to such a ministry.

Apart from the Directorates General of Accountancy and Contracts, there only remains the Third Technical Section of the Ministry of Development, responsible for industry and mining, and the Industrial Bank. At the same time, a Ministry had to be formed to control the existing industrial schemes and organisations, and to look after State and private industries. The Third Technical Section and the Industrial Bank were chosen to be the nucleus of such a ministry, and other industrial departments now attached to other ministries (such as the Directorate General of Industry) can be transferred to this ministry.

The Ministry of Development was not the only ministry suffering from duplication and anomalies in its departments. Other such ministries included those of Economics, Agriculture, Works and Communications and Social Affairs. For example, the Ministry of Economics was responsible for internal and external trade, oil affairs, and industry, while the Ministry of Agriculture was responsible for irrigation, agricultural research, agrarian reforms, etc. The difference between the Ministry of Development and the other ministries, therefore, was a difference of quantity and not of type. The inflation and duplication of duties reached their maximum in the Ministry of Development.

It was for this reason that the Executive Authority Law No. 74 of April 4th, 1959, was promulgated. A number of new ministries were created to redistribute functional duties and execute the General Economic Plan. These new ministries are: The Ministry of Agrarian Reforms; The Ministry of Oil; The Ministry of Industry; The Ministry of Works and Housing and the Ministry of Municipalities. The new ministries came through the unification of the widely scattered government departments, and through reorganising the duties of the ministries; thus, the Ministry of Economics became the Ministry of Trade and the Ministry of Works and Communications became the Ministry of Communications only. Apart from this, some departments were transferred from one ministry to another to increase their efficiency. The new law abolished the Ministry of Development and the Development Board.

CONCLUSION

It can be clearly seen that the Republic of Iraq is very rich in its agricultural, mineral and human resources, and that exploitation of this wealth is possible because of the abundance of capital from oil revenues and from the profits of local private industries and government administrations. What was required to develop this wealth was organisation, technique and a national economic plan.

The Republic inherited an inefficient and a corrupt economic system, duplicated in machinery and inflated in employees and officials. This was the problem which the Executive Authority Law of 1959 came to solve and radically reform.

The technical standard inherited was no better than the economic. The majority of people were suffering from ignorance and illiteracy, and there were not enough technicians and engineers. In a country of 7,000,000 population there were only 1,000 engineers, mostly civil. This shows the most important problem faced by the Republic of Iraq.

The Government therefore worked at reorganising the educational system of the Republic, widening the scope of elementary education and making it compulsory. It thus prepared the way to increase the number of Iraqi technicians and to train them to the various levels and specialisations required by the national economy. This reorganisation of the national economic system and improvement of the technical standard is the backbone of the General National Economic Plan.

By forming a ministry responsible for drafting such a plan for the development of national economy (the Ministry of Planning), the Government made a great step forward in organisation and co-ordination.

THE POLITICAL LIFE

THE political history of Iraq, during the past forty years, has been filled with a series of revolutions and national uprisings against imperialism and its local agents The July 14th Revolution therefore emerged as the final product of this long struggle, and was thus the most important event in the politcal history of Iraq, and one of the most important international events since World War II, since it had demolished a strategic stronghold of imperialism in the Middle East where aggressive plans were designed against Arab countries and peace loving peoples. The Revolution transformed Iraq into an impregnable castle of liberation, democracy and peace, whereas previously it had been a nook for conspiracies against the independence and the peace of Iraq's neighbouring countries and peoples. For this reason, the imperialists and reactionary elements saw in this Revolution a serious danger threatening their interests and influences.

The July 14th Revolution was not an event uncontemplated, nor was it a military coup, aiming at replacing one ruling class with another without changing the ruling system and the economic and social relations. It was a Revolution in which the people and army participated and was an extension of the 1920 Revolution and the successive National Uprisings of 1936, 1941, 1948, 1952 and 1956, all of which aimed at liberating Iraq from the old regime. In his description, Leader Abdul Karim Qassim expressed the democratic conception of the Revolution, and evaluated its deep roots. He also paid tribute to the role of the people and their contribution to its magnificent success. On the other hand, the attitude adopted by the Soviet Union and the Socialist bloc (Bulgaria declared a general mobilization) had its decisive effect on the British and American troops which landed in Jordan and Lebanon, rendering them unable to carry out their aggressive plans against the Republic of Iraq.

Laws and Regulations

THE very first action of the Revolution was the proclamation of the Interim Constitution which confirmed, in Article 7, that "The people are the source of all powers" and in Article 3 "Arabs and Kurds are considered partners in this country and their national rights within the Unity of Iraq are recognised by this Constitution." The Constitution confirmed in Article 10 the freedom of thought and expression, and stressed in Article 11 that "freedom of the individual and the inviolability of the home are safeguarded." Article 9 states "all citizens are equal before the law in their public rights and obligations, and there shall be no distinction between them by reasons of race, origin, language, religion or belief" and in Article 19 the Constitution prohibited handing over persons enjoying political asylum to their country of origin. The Constitution emerged as an important democratic document, ensuring the fundamental democratic freedoms of the people and consolidated the entity of the Revoluion on a sound democratic basis.

One of the most important legislations of the Revolution is the Agrarian Reform Law, which is discussed in another chapter.

At the same time many laws and regulations implemented by the old regime against the interest of citizens were annulled.

The Tribal Law, which gave a few feudalists the means to rule over millions of peasants, was annulled, while the law of Taswiyah which was used by feudalists to rule over vast areas of land was suspended. The Baghdad Penal Law was also annulled.

The Law of Rights and Obligations of Growers, which was passed in 1934, was an important factor in strengthening the grip of feudalism in Iraq and this was annulled, as was the Decree of Assemblies No. 25 of 1954.

These were the most important laws so far tackled by the Revolution. The Ministry of Justice is at present studying about 167 bills for various Ministries, of which 151 bills were passed by April, 1959.

POLITICAL PRISONERS

As a result of the long struggle against the old regime, many liberals were sent to prisons. The number of the political prisoners on July 14th was about 220 in Ba'quba prisons, all of whom were immediately released. Due to persecution during the old regime, many other citizens were forced to leave the country and some were denationalized. All have now returned and are enjoying their full rights. The government has issued Law No. 23 of 1958 concerning the general amnesty for the political crimes which took place between September 1939 and just before July 14th 1958, and Law No. 22 for 1958 granting amnesty to the Barazanis, who had repeatedly revolted against the exterminated corrupt and feudalist regime and who sought refuge in the U.S.S.R. after their last unsuccessful revolt. Eight hundred of them have already returned to their country and were met with jubilation by all patriotic citizens.

The government reviewed the sentences passed on the leaders of the Iraqi Communist Party who were executed in 1959 and decided to consider them martyrs of the people and granted compensation to their next of kin. The same thing applies to four Barazanis who sacrificed themselves for the people. Many engineers, teachers, doctors, officers, students and others, who were persecuted by the old regime, were reinstated with full honours.

FREEDOM OF EXPRESSION

The rulers of the old regime had always been on the alert for anti-imperialist and progressive ideas, therefore they suppressed the freedom of thought, banned national magazines and books and flooded the country with imperialist leaflets. Nuri as-Said's government issued the Decree of Printing in 1954, whereby the licenses of 255 newspers and magazines, scientific, social and religious, were cancelled, leaving in existence seven government-controlled newspapers only. This decree granted the Minister of Interior huge powers to suspend any newspaper or magazine for a year, and to withdraw its licence if convinced that it formed a danger to the security of the state by publishing articles or news creating dissension amongst the citizens, or expounding principles, banned by law.

Article 24 prohibited any paper or magazine that carried any insinuation of insult to the government, Prime Minister, or any of the Ministers. It also imposed heavy conditions in issuing licences, including a ID. 500 deposit.

The old regime did not only restrict the freedom of the Press but it also banned the films that convey a democratic or revolutionary theme. In addition, it banned all the films from the socialist bloc.

During the Republican era, freedom of publication was granted to all, where only in Baghdad more than forty-five newspapers and magazines were licensed. Outside Baghdad, twenty were licensed and given complete freedom. Leader Abdul Karim Qassim evaluated the role of the national press and in addressing the pressmen said: "Anything that takes place, convey it to the people, if you detect any mistake of mine, reveal it to the people; I do ask you to do this."

As a result of this, sales of newspapers rose greatly, and the general public freely purchased books and magazines that were banned during the old regime.

Even films with democratic and revolutionery ideas were banned by the old regime, and such masterpieces as "Les Miserables" and "The Mother" were only seen by the public after the Revolution. Locally produced films and plays were subjected to heavy censorship, and broadcasting programmes were carefully prepared to transmit pro-govenment propaganda.

BROADCASTING:

It was from the Broadcasting Station that the first news of the Revolution was announced at 6.30 of the morning of July 14th 1958. That broadcast had a decisive effect on the success of the Revolution, as all people, when hearing the news, rushed to join the armed forces in all parts of the country. Since then, many improvements have been introduced, and it is hoped, as soon as the new transmitters start work, that a new transmission "The Second Programme" will come on the air. This transmission will be designed to provide more serious and deep programmes for the educated public.

In addition to the Arabic programme, the station now broadcasts in Turkumani and in two Kurdish dialects. The foreign broadcasts, which were started after the Revolution, include programmes in Urdu, Persian, Turkish, French, German and English. An Information Centre was opened in the Broadcasting Station. The centre is issuing a local news bul-

letin, which is translated into English. A new television and radio station are now being established.

Television: A new television station of 5 kilowatts power has replaced the old 0.5 kilowatts station, and television programmes are now much improved.

FREEDOM OF MEETING:

Citizens were denied this fundamental right during the old regime, and even sport meetings were sometimes banned, as happened to a football match a few months before the Revolution. After the Revolution, Iraq witnessed mass meetings and processions in a way unprecedented in the Middle East; the first of which, a huge procession supporting the Revolution and its leader, took place on August 7th 1958 with over half a million participating. Other processions followed on various national occasions. A distinct feature in all these processions was the close unity of the masses of the people and members of the armed forces. A slogan which was always heard on these occasions "Long live the solidarity of the people and army" reflects clearly that feeling.

THE FREEDOM OF ORGANISATION:

The rulers of the old regime were much frightened by organisation. They kept watch not only over political parties and unions, but also over cultural and educational societies, and considered all these a major danger threatening their rule. Political parties were often banned and students were barred from forming a union. The Peace Partisans Movement was prohibited, together with all democratic youth organisations and women's organisations. In 1954, Nuri as-Said issued an ordinance banning 465 parties, societies and clubs of all types, political, scientific, economic, social, vocational and labour unions. A few camouflage unions, patronised by the government, were allowed to operate. Despite all this, patriotic organisations continued their struggle secretly, withstanding persecution and hardship.

After the Revolution, organisations flourished, and below is a summary of their activities:

1. UNIONS:

Over fifty labour unions, with a membership of over 250,000, were licensed — all being affiliated to the General

Federation of Labour Unions in the Republic of Iraq.

Unions are endeavouring to raise the cultural and social standard of their workers, and during the various conferences, the Unions recommended, were made to increase and develop national production. The Unions succeeded in securing various privileges and advantages for their members, and were able to reinstate in employment over five hundred workers discharged for political reasons during the old regime.

2. PEASANT SOCIETIES:

The peasants played a heroic part during the 1920 Revolution, and continued their struggle after that revolution, against feudalists and their crimes and exploitations. Even before the Revolution, various secret peasant societies were formed in the north and south.

The peasant movement gained momentum after the Revolution and the General Federation of Peasant Societies was licensed on May 21st 1959. Within two months, the Federation licensed 734 peasant societies in all parts of the country. On the 15th April 1959, the first conference was opened by the Prime Minister, who greatly evaluated the role played by peasants in the success of the Revolution.

Peasant societies are now actively engaged in increasing production and the application of the Agrarian Reform Law.

3. PARTIES:

Although not officially licensed, political parties were allowed to function freely, and played an important role in public mobilisation for the service and defence of the Republic.

During the old regime, patriotic parties met with much persecution, and in 1956 a National Front was formed of four parties. The National Democratic Party; the Communist Party; the Al-Istiqlal (Independence) Party and the Al-Ba'ath (Renaissance) Party to co-ordinate efforts in their joint fight against imperialism and feudalism. During that time, the officers of the Revolution were in close touch with the National Front, and when the first revolutionary cabinet was formed, three of these parties: The National Democratic; the Al-Istiqlal and the Al-Ba'ath, were represented. On Decem-

ber 23rd 1958, the Unified Democratic Party of Kurdistan joined the Front.

However, after the Shawaf Mutiny, Al-Istiqlal and Al-Ba'ath Parties collapsed and the National Front was disbanded despite the attempts of some parties to reorganise it.

Leader Abdul Karim Qassim expressed his support for parties and announced that a free political and parliamentary life will come into being on January 6th, 1960, after a brief transitional period.

It should be mentioned that the collapse of the Al-Istiqlal and Ba'ath Parties was not due to their ideas and belief, but due to their actual participation in conspiring again the Revolution.

4. PEACE PARTISANS :

The movement started in Iraq during the old regime, and was met with persecution and suppression. In spite of this, however, the Peace Partisans were able to hold a conference in Baghdad in 1954 and to participate in the international conference of the movement. During the Republican era, the movement spread to all parts of the country and on April 14th 1959 the Peace Partisans Conference was opened by the Prime Minister, followed the next day by a gigantic procession attended by representations from all parts of the world.

Peace Partisans played a major role in suppressing the Mosul Mutiny.

5. THE IRAQI DEMOCRATIC YOUTHS:

This organisation operated under cover during the old regime, and was subjected to persecution and hardship. The movement, which is now operating with full freedom, played its role in guarding important installations in conjunction with the official authorities during the plots against the Republic.

On June 11th 1959, the first conference of the Iraqi Democratic Youth Organisation was opened by the Prime Minister. The conference was attended by delegates from all over the world, representing over eighty-five million youths.

The membership of the organisation is, at present, over 85,000 youths of both sexes. They have all co-operated in various patriotic schemes, including the anti-illiteracy campaign.

6. STUDENT MOVEMENTS:

Student movements operated secretly during the old regime and were subjected to various suppressive measures, including prisons and expulsions.

After the Revolution all expelled students were reinstated and allowed to return to their schools and colleges, student organisations were legalised and student unions affiliated to the Iraqi Students Federation, were freely elected in all schools and colleges. On February 2nd 1959, the first conference of the Federation was held under the patronage of Leader Abdul Karim Qassim.

7. THE POULAR RESISTANCE FORCES:

On August 1st 1958, the Law of the Popular Resistance Forces came into being, and during the first two days of enlisting, there were over 7,000 applications to join the force, coming from people from all walks of life, incuding students workers, peasants, lawyers, doctors, engineers, teachers, etc.

The Popular Resistance Force played a major part in crushing the Shawaf Mutiny and the Lolan Mutiny, and cooperated with security authorities in guarding important installations in Baghdad and other parts of the country, and watching over the security and possessions of citizens.

8. WOMEN'S MOVEMENTS:

The League for the Defence of the Rights of Women was licensed by the Government of the Revolution and played its role in consolidating the Republic and participating in various projects such as the anti-illiteracy campaign and clarifying the aim of the Revolution through delegations and missions sent to other countries.

The first conference of the league was opened by the Leader of the Revolution on March 8th 1959.

9. THE PEOPLE'S COURT:

The Special High Military Court formed on July 26th 1955, occupies a distinguished place in the political life of the country. The court is more than a court, it is a political school and a political seminar, in which hall many a fine poem and an expressive speech were delivered by members of the public, who lovingly gave the court its popular name "The Peoples Court."

The President of the Court, Colonel Fadhil Abbas Al-Mahdawi and the Military Prosecutor General, Staff Colonel Majid Mohammed Amin, enjoyed wide popularity and gained the admiration and respect of such eminent lawyers as Mr. D.N. Britt, who visited the court and followed its proceedings.

Almost all the sittings of the court were in public and were broadcast and televised. In addition to trying the traitors of the old regime, the Court tried Abdul-Salam Arif and Rashid Ali Al-Gailani. In all these trials, the court gave ample chance to all the accused to defend themselves before passing its judgment.

THE PEOPLE DECIDE THEIR OWN DESTINY:

A feature of many military coups is that the people remain separated from the leadership, and all "reforms" come "from above", while true revolutions respond to the desires of the people and enjoy their support and assistance.

As can be expected ,and since the July 14th Revolution is the revolution of the people and the army, the mass of the people played a major role in the success and development of the Revolution, and the government of Leader Abdul Karim Qassim responded to their desires and fulfilled their aspirations.

The decisive action of the people was clearly indicated on August 7th 1958, when they came down to the streets in hundreds of thousands to express their rejection to an immediate merger with the United Arab Republic. When Abdul-Salam Arif and Rashid Ali Al-Gailani attempted their plots, the people again expressed their opinion when they marched in huge processions, indicating the solidarity of the internal front. However, the most decisive part played by the people was that which led to the almost instantaneous failure of the Shawaf mutiny.

Our Republic has, thus. occupied an enviable position amongst nations and gained the respect of friends and enemies alike. It became a revolutionary centre in the Middle East inspiring all subjugated peoples in Asia, Africa and Latin America to continue their struggle for freedom and independence.

States that have, so far, recognised the Republic of Iraq are listed below in the sequence of the date of their recognition:—

1 — United Arab Republic
2 — Kingdom of Yemen
3 — Union of Soviet Socialist Republics
4 — German Democratic Republic
5 — People's Republic of Poland
6 — People's Republic of Czechoslovakia
7 — People's Republic of Rumania
8 — People's Republic of Federal Yugoslavia
9 — People's Republic of Hungary
10 — People's Republic of Albania
11 — People's Republic of Democratic Korea
12 — People's Republic of Mongolia
13 — People's Republic of Bulgaria
14 — People's Republic of Democratic Vietnam
15 — People's Republic of China
16 — Republic of Indonesia
17 — Republic of Sudan
18 — Republic of Tunisia
19 — Republic of India
20 — Kingdom of Saudi Arabia
21 — Kingdom of Morocco
22 — Kingdom of Afghanistan
23 — Burma
24 — Ceylon
25 — Iran
26 — Kingdom of Greece
27 — Republic of Pakistan
28 — Republic of Federal Germany
29 — Republic of Turkey
30 — Japan
31 — Republic of Italy
32 — United Kingdom
33 — Switzerland
34 — Kingdom of Belgium
35 — Republic of Lebanon
36 — United States of America
37 — Kingdom of Denmark
38 — Kingdom of Sweden
39 — Malayan Federation
40 — Republic of South Vietnam
41 — Republic of Finland
42 — Portugal
43 — Republic of Austria
44 — Canada
45 — Republic of Norway
46 — Ethiopia
47 — The United Kingdom of Libya

48 — Republic of Philippines
49 — Thailand
50 — Brazil
51 — Kingdom of Holland
52 — Spain
53 — Cambodia
54 — Luxembourg
55 — Australia
56 — Argentine
57 — Ghana
58 — Nepal
59 — Laos

RELATIONS WITH THE SISTER ARAB STATES:

The old policy of plotting against the Arab neighbours, especially Syria, was completely changed after the Revolution. One of the first action of the new Government was the withdrawal from the forged Hashemite Federation, and the recognition of the United Arab Republic. On July 19th 1958, the Joint Cultural and Economic Co-operation Agreements were concluded with the United Arab Republic. However, after this good start, the relations between Iraq and the United Arab Republic deteriorated due to attempts of the United Arab Republic to interfere in the internal affairs of Iraq and achieve a merger.

The Egyptian Ambassador and the Cultural Attache played an important role in the Abdul Salam Arif and Rashid Ali Al-Gailani plots. The Iraqi Government did not announce news of this interference, in an effort to preserve Arab unity, and sincerely hoped that the rulers of the United Arab Republic would cease these attempts, and stop interefering in our internal affairs. This, however, was not to be. The full details of the Shawaf mutiny, uncovered during the sittings of the People's Court, showed clearly the magnitude of the Egyptian interference. A radio transmitter and a large quantity of arms made in Port Said, were smuggled to the mutineers across the Syrian fronties. All this inevitably led to the downfall of Gamal Abdul Nasser in the eyes of the Iraqi people, who saw in him a dictator and a hostile enemy of the Republic of Iraq.

The Government of the Revolution is doing its utmost to assist Algeria in its struggle against French occupation. Shipments of arms are continuously being sent and financial help amounting to ID. 2 million has been allocated in the Iraqi

Budget. All economic relations between Iraq and France had been severed and a total boycott is now in force.

The same type of assistance has been offered to Oman.

RELATIONS WITH THE AFRO-ASIAN STATES:

Iraq now is an active member in the Afro-Asian Bloc. Iraq's representatives in the United Nations Trusteeship Committee supported the independence of Guinea and Cyprus and denounced the racial discrimination policy in South Afrca.

RELATIONS WITH THE SOCIALIST STATES:

A feature of the submission of the old regime governments to imperialism was the severing of diplomatic relations with the Soviet Union and the non-existence of any type of relations with the socialist states which came into being after World War II.

An early action of the Republic of Iraq was the restoration of diplomatic relations with the Soviet Union and the establishement of such relations with Albania, Rumania, Bulgaria, Czechoslovakia, Poland and Hungary, and the establishment of commercial relations with the German Democratic Republic.

The relations of Iraq with the socialist bloc is based on a positive neutrality policy, the principles of the United Nations, the Bandung Conference, and on the support of the Socialist countries to Iraq and the other Arab countries.

The Republic of Iraq concluded a number of cultural and economic agreements and exchanged cultural and friendship missions with the socialist bloc. These countries are plaing an important role in the industrialisation of Iraq, and have provided technical assistance and experts in all fields.

RELATIONS WITH WESTERN STATES:

Iraq's relations with Western states, especially Britain and the United States of America, were unequal during the old regime. Iraq, then, had no independent internal or external policy, but was rotating in the imperialist orbit, and reconditioning its policy according to its strategic needs and interests. This subordinated relation was clearly illustrated in the agreements signed during the old regime, the most serious of which was the Baghdad Pact. This Pact was frozen when the Revolution was declared and then, on March 24th 1959, Iraq officially wthdrew from the Pact. This automatically meant

the cancellation of Iraq's special agreement signed with Britain in 1955 according to the provisions of item 2 of the Baghdad Pact, with all its appendices, letters, policies and plans, both secret and open. The complete withdrawal of British forces stationed in Habbaniyah and Sha'eba according to the provisions of the Pact followed immediately afterwards.

Below is the text of the Ministry of Foreign Affairs letter to the embassies of Pakistan, Iran, Turkey and the United Kingdom in Baghdad, informing them of the withdrawal of Iraq from the Baghdad Pact. The letter was dated 24th March, 1959:

"The Ministry of Foreign Affairs presents its compliments to the Embassy of ..... in Baghdad, and has the honour to state that the 14th July, 1958 Revolution has caused a fundamental transformation in the internal structure of Iraq, manifested by the change of the system of government and the establishment of a Republic in the country which reflects truely the will of the people in all their classes. It expresses their desire to establish close co-operation between their government and all the states of the world on the basis of friendship, equality and mutual interests, to work towards preserving peace in the world in a way consistent with the principles of the United Nations Charter by adopting a policy of positive neutrality and non-alignment to either the East or the West.

Eight months have elapsed since the implementation of this policy which clarified to international circles the sure desire of Iraq to work towards developing its relations on basis which reflect the endeavours of the Iraqi people to stay away from international rivalry, and to deal with all states on a foundation of friendship and mutual interests.

In view of all this, and after a careful consideration of the treaties and international agreements by which Iraq is related to the international community, the Iraqi Government reached the conclusion that the presence of Iraq as a partner in the Baghdad Pact is incompatible with the policy of positive neutrality which was declared and followed eversince the 14th July, 1958. The Pact also runs counter to the wishes of the people. Therefore, and due to the belief of the Iraqi Government that the establishment and the continued development of its foreign relations on the basis of friendship and mutual interests should be founded on the desire and support of the people to be consistent with the factual conditions of the country and the fundamental changes which had taken place in the cnditions of Iraq and its affairs, the Iraqi Government is of the opinion that its withdrawal from

the membership of the Baghdad Pact is a basic means for strengthening and developing amity and friendship between Iraq and the other states of the world.

The Ministry of Foreign Affairs, therefore, wishes to inform the member states in the Joint Co-operation Pact concluded between Iraq and Turkey on 24th February, 1955, (the Baghdad Pact), that it had decided to withdraw from the membership of the above mentioned Pact. At the same time, the Government wishes to reaffirm its sure desire to continue its endeavours to consolidate the ties of friendship and amity with these states in a manner consistent with the principles of the United Nations Charter. The Ministry is certain that it will find in the friendly states all the amiable co-operation that Iraq bears towards them, especially that the historic ties which link Iraq to these states have proved their worth over the years in perpetuating a continued co-operation and flourishing friendly relation. It also reaffirms that the withdrawal from the Pact will be an effective means for the growth of amity and friendship between Iraq and the states concerned, on firm foundations accepted by the Iraqi people.

The Ministry avails itself of this opportunity to express its appreciaton.

IRAQ IN THE INTERNATIONAL FIELD:

Iraq joined the International Federation of Postage at the end of 1958 and it also joined the International Agreement on Genocide on April 20th 1959. Also, in 1959 Iraq joined the International Federation of Wire and Wireless Communications and the International Atomic Agency.

The foreign policy of Iraq is summed up in the following extract from a speech by the Prime Minister, Major General Abdul Karim Qassim:

"..... The Republic of Iraq is a peace loving country, which sincerely seeks the friendship of all the people of the world. It holds firm to its independence and safeguards, defends and protects its land against foreign intervention and conspiracies, and repels any aggression launched against it.

Our foreign policy is based upon positive neutrality and non--alignment to either the Eastern camp or the Western camp. Our international policy is decided by the interests of the Iraqi people in particular and the Arab nation in general. We adhere to the United Nations Charter, and recognise the principles of international justice. We abide by the principles of Bandung Conference for consolidating peace in the world and developing friendship with all the peoples and states on the basis of mutual interests."

SOCIAL AND CULTURAL LIFE

THE old regime cared little about the affairs of the people, especially their health. In some areas the mortality rate was as high as 60 per cent., and some statistics even go as far as to say that the number of people seeking treatment in health institutions reached four million during 1954, plus many more who could not obtain medical attention, either because it was not available in their district or because they were unable to afford it. Added to this was the fact that 66 per cent. of Iraq's population lived in windowless houses. Hospitals were few and there was an average of one bed for every five thousand persons. Food was bad, medicine was short and medical attention lacking. The total number of doctors was only 800.

Then came the July 14th Revolution liberating the people and upsetting the calculations of the imperialists, who wanted to keep the population sick and hungry and unable to achieve its aspirations. Health affairs are now given due attention, free medicine has been secured, and all health facilities were enlisted for the service of the people.

The Republican Hospital (previously the Royal Hospital) has now been purged and its system rectified, and is now operating efficiently for the service of the people. During the old regime, this hospital had a very bad medical reputation.

THE HEALTH REVOLUTION

In accordance with the principles of the July 14th Revolution and the desire of Leader Abdul Karim Qassim to eliminate disease and secure free medical care for all citizens, the Ministry of Health recruited all its capabilities for this purpose and started by purgng its system of all doubtful and inefficient elements. To increase the number of doctors, the Ministry approached Baghdad University to increase the number of students admitted to the Medical College to 350 and to open a medical college in Mosul admitting 200 students. The College is expected to open for the 1959-1960 academic year. Many nursing schools and dressing courses will also be started. Other courses will train health inspectors, health visitors, laboratory assistants, X-ray operators, mid-wives and childrens' nurses. Special attention is paid to training womer for medical duties.

It is the intention of the Ministry of Health to send a large number of Iraqi doctors to the Soviet Union and the socialist countries for training, specialization, and to prepare them to teach in Iraqi medical schools. The Ministry also requested these countries to send medical missions to teach in Iraqi schools and to organise anti-disease campaigns.

EXPANDING MEDICAL SERVICES

Medical services were expanded throughout the various liwas and Kadhas of Iraq by increasing the number of beds in hospitals and opening health institutions and out-patient departments. The co-operation of doctors and other personnel permitted a double shift working system to be followed by many health institutes. A large number of ambulance cars were imported from the Soviet Union.

The following institutions were inaugurated on July 14th:

1. A fully equipped hospital in Shaqlawa.
2. Two fully equipped hospitals in Ramadi.
3. Mosul Medical College (two buildings and an X-ray institute).
4. New laboratory and X-ray wings in Baquba.
5. The Chest Diseases Hospital in Basrah (built by the local administration, in co-operation with the Ministry of Health).

PROJECTS ADVERTISED FOR TENDERING

1. Mother and child care centres in Sulaimaniyah, Kirkuk, Nejaf, Baquba, Kut, Nasiriyah, Amara and Ramadi.
2. Central medical stores in Liwa centres in Basrah, Amara, Baquba and Ramadi.
3. (a) Chest diseases clinics in Sulaimaniyah, Nasiriyah, Diwaniyah, Diyala, Karkh, Kut, Ramadi, Amara and Basrah.
   (b) Eight new wards in Shama'eyah Hospital.
   (c) A competition for building a five hundred bed chest diseases hospital in Mosul.
   (d) Construction of a fully equipped hospital in Diwanyah is in progress and is hoped to be completed soon.
   (e) Construction of a fully equipped hospital in Kut is in progress and is hoped to be completed soon.
   (f) A fully equipped neuroligical and mental diseases hospital in Shama'eyah.
   (g) Work is in progress on the construction of laboratories for the Medical College in Baghdad.

PROJECTS FOR TENDERING

1. A leprosy hospital in Amara at a cost of ID. 376,000.
2. A hospital and an out-patient department in Baghdad at a cost of ID. 50,000.
3. The construction of a building for the Medical Head Office for Basrah Liwa.

PROJECTS UNDER STUDY

The construction of convalescent homes of 500 beds capacity is proposed for tuberculosis patients in Baghdad, Arbil, Sulaimaniyah, Diwaniyah and Amara.

THE ECONOMIC AGREEMENT WITH THE U.S.S.R.

Dr. Mohammed Shawaf, the Minister of Health, participated in drafting the Economic Agreement with the Soviet Union. Section 4 of the Agreement provides for a medicine factory for the production of antibiotics and other pharmaceutical and medical preparations, with an annual capacity of 5.5 tons of streptomycin.

PHOPHYLAXIS

Due to the importance of the prevention of diseases, the Directorate General of Health Precautions was established during the first few months of the Republic. Some establishments already in existence were attached to the new Directorate General. They include the Institutes of Endemic Diseases, anti-Tuberculosis, Students Health, Mother and Child care, anti-Bejal, Capital Health, City Medical Head Offices, National Nutrition, and the Institute of Vaccines. Other institutions are now being formed to be attached to the new Directorate General. These include the Directorate of Epidemic Diseases, Quarantines, Mental Health and Sanitary Engineering.

ENDEMIC DISEASES

There are two schemes being carried out steadily, one for the elimination of malaria and the other for the elimination of belharzia. The first scheme entered its third year in 1959, when an extensive spraying programme was planned. It is expected that the results of this campaign will be clearly felt in 1961, and in order to achieve this the Directorate General applied for an additional amount of ID. 1.5 million to meet expenses. The belharzia campaign will help to save about one million lives of those infected.

The Insect Combatting Section in the Institute of Endemic Diseases is undertaking a campaign for the elimination of harmful insects in all parts of Iraq, using up-to-date equipment and chemicals.

STUDENT HEALTH

The Directorate of Student Health has undertaken to provide all students in the Republic with medical care and free medical treatment. The designs are complete for a new four-storey hospital of 100 beds capacity with an operating theatre and maternity ward. The overall cost will be about ID. 200,-000. Two new clinics were opened in Abu Ghraib and New Baghdad, and a health programme for innoculations and vaccinations against smallpox, typhoid, diphtheria, measles and tetanus is now under way. and the Directorate, with the cooperation of the Anti-Tuberculosis Society, is undertaking an X-ray examination plan to cover all students. The anti-trachoma campaign among students is given great attention.

NUTRITION

The Institute of Nutrition is organising a guidance programme and food schedules for healthy and sick people of all ages, but especially for children, mothers, and for the aged.

THE ANTI-TUBERCULOSIS CAMPAIGN

The anti-tuberculosis campaign is directed by the Anti-Tuberculosis Institute, which supervises activities throughout Iraq. Various units for mass X-ray examination are now in operation, and the B.C.G. innoculation campaign is being expanded. There are plans for tuberculosis clinics to be built in every liwa centre, which will be responsible for anti-tuberculosis activities in that liwa.

VACCINE AND SERUM PREPARATIONS

The work of preparing vaccines and serums is undertaken by an institute attached to the Institute of Bacteriology. Vaccines and serums prepared include those for smallpox, cholera, plague, typhoid and rabies. It also undertakes to train doctors and laboratory assistants on vaccine work.

CHILD AND MOTHER CARE

The Institute of Child and Mother Care is responsible for children and expectant mothers requiring medical exami-

nation and treatment. It distributes free pasteurised milk to those needing it, and undertakes child vaccinaation and innoculation against smallpox and typhoid.

THE DIRECTORATE OF THE CAPITAL'S HEALTH

This Directorate is responsible for the health affairs of Baghdad, the capital. It supervises health requirements of various restaurants and food and alcoholic drink stores. Other duties are inspection of public places and vaccination centres, and births and deaths registration. During the past year, the Directorate carried out an extensive inspection programme on factories to ensure health working conditions for workers, and gave due care to health problems of sarifa dwellers.

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LABOUR AND SOCIAL AFFAIRS

A NEW Labour Law was enforced on July 16th, to replace the 1936 law and its amendments. The new law, which covers commercial as well as industrial projects, introduced many reforms on the previous law, especially regarding compensations for injury and occupational diseases. In addition, a special compensation was set for the termination of employment of workers. The law stipulated that a number of by-laws and regulations be issued for fixing wages and working hours and for taking the necessary precautions for the safety and protection of workers. The duties of employment agencies are defined, and the employmnt of non-Iraqis is restricted. Other regulations deal with the setting up of an inspection system to ensure the adherence to the Labour Law The new law deals with the formation of arbitration boards and other boards for wage-fixing, industrial relations and employment.

After the Revolution, a number of amendments were effected. These deal with work shifts, overtime, rest periods, ordinary and sick leaves and free medical treatment for workers injured in the course of their duty. It restricted the dismissal of workers, preventing the unconditional termination of employment and discussed the formation of unions.

A committee was recently formed comprising representives of various ministries and of the Federation of Labour Unions to draft a new labour law consistent with the aims and objectives of the Revolution.

According to the provisions of the 1958 Law, a number of regulations were issued. These are summarised below:

Employment Agencies (No. 23 of 1958)

Free employment agencies were established in specified areas to collect information concerning the situation of manpower in these areas, and to register work applications. These agencies were able to find work for 26,415 people, after ascertaining their ability and skill. The regulation compels employers to notify the nearest employment agency of all their vacancies and of the requirements of each, but it gave the employer the right to fill these vacancies directly after obtaining the sanction of the Central Employment Department.

Personnel Training (No. 10 of 1958)

This deals with the preparation and training of personnel on the functions of the Directorate General of Labour and Social Security and on its laws and regulations. Written and oral examinations are held at the end of each course, and those passing are awarded a certificate which entitles them to the post of a liaison officer. Business organisations employing 100 or more persons are compelled by this regulation to employ at least one of these liaison officers.

Commercial and Industrial Inspection (No. 11 of 1958)

This provides for an effective inspection system and compels all employers covered by the provision of the Labour Law No. 1 of 1958 to keep all registers dealing with wages, leaves, fines, punishments, etc., ready for inspection.

Protection of Workers (No. 13 of 1958)

This deals with precautions for the protection of workers and employees from injury and occupational diseases, and compels the employer to take all technical precautions to ensure the safety of his employees. Other provisions of the Regulation provide for the sanitary requirements of the factory, and for schemes employing more than 100 workers; the employer is to provide a resident doctor and to bear all treatment costs of injuries sustained whilst on duty.

Employment of non-Iraqis (No. 14 of 1958)

This stipulates that non-Iraqis may not practise any work, trade, profession or occupation in Iraq unless they obtain a work permit from the Directorate General of Labour and Social Security. These permits, which are of one-year

duration, are issued only on proof to the Directorate General that the work or occupation carried out by the non-Iraqi is of a specialised nature and that there is no Iraqi capable of performing it. The Regulation also classifies the jobs which can be practised by non-Iraqis.

Labour Agreement (No. 85 of 1958)

This Law ratified an agreement banning compulsory labour for any political and economic reasons, or as a punishment for joining strikes or as a means of racial, social, national or religious discrimination.

Ratification of the Agreement on Discrimination in Employment and Professional Practice.

This Law limits the number of non-Iraqi employees to 10 per cent of the total number of workers, employees, etc., of any organisation. Foreign consulates, legations, embassies and missions are excepted. Also excepted are refugees and certain personnel covered by the provisions of special laws, agreements and concessions, as well as non-Iraqis employed by the Government, and people residing in Iraq before 1940.

Death Compensation (No. 6 of 1959)

This deals with the distribution of death compensations to the legal inheritants of the deceased.

Labour Unions (No. 38 of 1958)

This regulates the duties and obligations of labour unions. It stipulates that unions must be registered with the Directorate General of Labour and Social Security and bans all religious and political activities of unions. Unions licenced are:

1. The Union of the Workers and Employees of Railways.
2. The Union of the Workers and Employees of Port Administration.
3. The Union of the Workers and Employees of Highways, Bridges and Government Buildings.
4. The Union of the Workers and Employees of Irrigation.
5. The Union of the Workers and Employees of Cement.
6. The Union of the Workers and Employees of Printing.
7. The Union of the Workers and Employees of Shoes and Tanning.
8. The Union of the Workers and Employees of Pharmaceutical Materials.

9. The Union of the Workers and Employees of Cigarettes.
10. The Union of the Workers and Employees of Electricity.
11. The Union of the Workers and Employees of Matches.
12. The Union of the Workers and Employees of Bakeries.
13. The Union of the Workers and Employees of Posts, Telegraphs, Telephones and Wireless.
14. The Union of the Workers and Employees of Baths.
15. The Union of the Workers and Employees of Goldsmithing.
16. The Union of the Workers and Employees of Hotels, Restaurants and Cafes.
17. The Union of the Workers and Employees of Gaseous Waters and Alcoholic Drinks.
18. The Union of the Workers and Employees of Spinning and Weaving.
19. The Union of the Workers and Employees of Tailoring.
20. The Union of the Workers and Employees of Carpentry.
21. The Union of the Workers and Employees of Banks.
22. The Union of the Workers and Employees of Assistance of Custom Agents.
23. The Union of the Workers and Employees of Cinemas.
24. The Union of the Workers and Employees of Mechanics.
25. The Union of the Workers and Employees of Oils and Soaps.
26. The Union of the Workers and Employees of Agriculture.
27. The Union of the Workers and Employees of Construction and Building Projects.
28. The Union of the Workers and Employees of Mills.
29. The Unon of Car Drivers and Assistants.
30. The Union of the Workers and Employees of Weighing.
31. The Union of the Workers and Employees of Date Syrup.
32. The Union of the Workers and Employees of Amanat al-Asima and Municipalities.
33. The Union of the Workers and Employees of Health.
34. The Union of the Workers and Employees of the Ministry of Development.
35. The Union of the Workers and Employees of Companies and Department Stores.
36. The Union of the Workers and Employees of Animal Products.
37. The Union of the Workers and Employees of Painters of Houses and Glass.
38. The Union of the Workers and Employees of Hairdressing.

39. The Union of the Workers and Employees of Oil Industry.
40. The Union of the Workers and Employees of Sugar Factories.
41. The Union of the Workers and Employees of Summer Resorts.
42. The Union of the Workers and Employees of Tiles and Mosaic.
43. The Union of the Workers and Employees of Water Supply in Baghdad Area.
44. The Union of the Workers and Employees of Pipelines and Sanitary Installations.
45. The Union of the Workers and Employees of Passenger Transport Services.
46. The Union of the Workers of the Company of Airlines, Tourism and Transport in Baghdad.
47. The Union of the Workers of the Ministry of Education.
48. The Union of the Workers of the Ministry of Social Affairs.
49. The Union of the Workers and Employees of the Ministry of Interior.

Regulations in Process of Legislation:

There are many regulations now in process of legislation, the most important of which are those related to practical and industrial training, compulsory insurance of workers against accidents and occupational diseases and poisoning, and the establishment of canteens and recreational facilities in factories and projects.

Co-operative Societies:

The affairs of the co-operative societies have been transferred to the Ministry of Social Affairs, which amended the Co-operative Societies Law expanding the scope of their activities. The Ministry licensed eight house-building societies and three consumer societies.

The Social Security Law No. 27 of 1956:

The Directorate General of Labour and Social Security is undertaking the implementation of the above law, together with all its by-laws and regulations. This legislation, which is being enforced for the first time in Iraq, provides for what amounts to compulsory saving, and covers:

(a) All schemes and organisations employing 30 or more persons.

(b) All government employees not covered by the Pension Law.

(c) The employees of all oil companies.

The law requires that every employee should possess a security book, in which contributions are indicated by security stamps, purchased by the employer from the Directorate General of Labour and Social Security. The compulsory saving, which adds up to 40 fils per working day, is made up of 15 fils by the employer, 10 fils by the employee and 15 fils by the Directorate General of Social Security. The saving is paid up to a certain percentage in cases of illness, unemployment, marriage, birth, death, old age, and total disability. The law includes Iraqis and non-Iraqis and the total number of people covered by the benefits of this law is at present 168,480. The income of the Social Security Fund in the period from July 14th, 1958, to March 1959 reached ID. 1,627,475 inclusive of the share of the Government. At present, the capital of the Fund stands at ID. 2 million, and a committee, formed of the President of the Chamber of Commerce and a member of the Board of Directors of the Central Bank, and headed by the Governor of the Central Bank, is responsible for the investment of this capital and the supervision of the financial affairs of the Fund.

Efforts are being made at present to amend the provisions of the Law, and contacts have been made with the Social Security Section of the International Work Bureau, which delegated one of its experts to study the financial aspects of the proposed amendments and their applications. The new legislation will provide for a pension scheme and will secure social protection and social justice in their widest sense. Amendments to the system of payment of social security balances are being considered to the benefit of workers leaving work for studying inside or outside Iraq.

Housing of Workers and Low Income Officials:

The Ministry of Social Affairs paid great attention to housing schemes for officials and employees of low income. Five hundred houses were built for sarifa dwellers in Basrah and 1,602 houses over other parts of the country, at a total cost of ID. 1,103,306. The area of each of these houses varies between 100 and 140 square metres and the cost between ID. 300 and ID. 1,200. These houses were either rented at low rates or sold on twenty-year payment terms with an interest of 20 per cent. After the Revolution, the terms of payment were extended to twenty-five years and interest reduced to 2 per cent per annum.

In addition to this, the Ministry of Social Affairs distributed some state-owned plots to soldiers and low-ranking members of the armed forces. Other plots were distributed in other parts of the country to workers and employees.

Law No. 86 of 1958 compels industrial project owners of a certain category to provide their workers with houses, and ID. 150,000 was allocated for loans for this purpose. The Ministry of Social Affairs, according to this law, carries 60 per cent of the cost of housing, while the other 40 per cent is provided by the scheme owners themselves. Under this law, 75 houses were built by the Euphrates Cement Company and negotiations are now under way with other companies to start work on their own housing schemes.

Under the Executive Authority Law No. 74 of 1959, all housing schemes are now the responsibility of the Ministry of Works and Housing.

A number of social legislations were drafted and enforced since the Revolution. These are summarised below:

1. **The Law of Social Establishments:**

The law aims at providing equal opportunities for all citizens and creating the necessary conditions for helping them lead a productive life. The law is intended to assist the handicapped, such as the blind, the deaf, the dumb, the mentally retarded, the aged, the disabled, juvenile delinquents and prostitutes, by establishing the required institutes, workshops and research bureaux to train and employ them. All these establishments are placed under the supervision of the Ministry of Social Affairs.

2. **Anti-Prostitution Law:**

This law treated the problem of prostitution in conjunction with the social and economic system, and fixed the punishment of prostitutes and their agents. The law stipulates that detention institutes be set up to reform and rehabilitate prostitutes.

3. **The Regulation of Juvenile Care:**

This regulation takes care of the welfare of orphans and unsupported children. It stipulates the establishment of institues, schools and training centres to look after them and train them in various trades. It also stipulates that boys and girls leaving these institutes be supplied with the necessary tools and instruments required for performing their trade. Juveniles eligible for these institutes must be of Iraqi nationality, or Palestinian or Algerian refugees.

4. **The Regulation of the Establishments for the Blind:**

This provides for the establishment of training and teaching institutes for the blind. Reading and writing are taught by the Braille method and arithmetic is taught by the use of Taylor Boards. After graduation, the blind are supplied with free tools and instruments. The institutes are under the supervision of the Ministry of Social Affairs.

5. **The Regulation for the Homes for the Aged:**

This regulation aims at providing social care for the aged and handicapped, and stipulates the establishment of free homes provided with all comfort and relaxation facilities. Admission to these homes is limited to people over 60 years old and those handicapped or suffering from a chronic incurable disease.

Apart from the above laws and regulations which have been promulgated, other legislations are still in the course of drafting. They include a kindergarten scheme and regulations for reform establishments. Plans for civic social centres are also being prepared. The budget for these reforms is estimated at ID. 1,500,000 for the 1960 fiscal year, which greatly exceeds the last budget allocation of ID. 500,000 only.

Great attention is also given to rural projects, and plans are ready for the co-ordination of these projects with the Agrarian Reform Law. Social and economic surveys have been prepared to assist in the execution of these projects.

Principle Schemes that were completed in 1958:

1. Prostitute Detention Institute, where these unfortunate women are trained and prepared for a decent life.
2. A Rural Centre in Amara Liwa, providing social service and assistance to the inhabitants of the district (over 20,000).
3. A public bath in Baghdad.
4. Six social societies and eighteen clubs were formed, all aiming at developing social activities and offering social services to the masses.

SOCIAL SERVICES:

The idea of providing social services first materialised in 1939 when the Ministry of Social Affairs was formed. Attached to this Ministry were a number of directorates general

such as the Directorate General of Health (prior to the formation of the Ministry of Health in 1953), the Directorate General of Labour and Social Security, the Directorate General of Census and the Directorate General of Prisons (which was attached to the Ministry of Interior in 1955). At present, four directorates general remain attached to the Ministry of Social Affairs: the Directorate General of Labour and Social Security; the Directorate General of Census; the Directorate General of Social Services and Directorate General of Villages and Rural Areas.

The Directorate General of Social Services was formed in 1952. During the old regime, there existed over 200 societies and organisations, but the activities of the Directorate General were limited and unproductive as most of these organisations were camouflages behind which personal interests obtained the lion's share. A few of these, however, such as the Society for Protection of Children, the Red Crescent Society and the Bait-Al-Arabi Society, did render very useful services.

It could also be seen that most social establishments were concentrated in Baghdad, leaving the other parts of the country uncared for from the social point of view. Even in Baghdad, social services were limited due to the lack of funds. A clear picture of the situation during the old regime can be clearly depicted from the fact that in the 1958 budget, allocations for social services were ID. 343,240, while allocations for prisons were ID. 479,730.

RURAL SERVICES

The rural policy during the old regime was no better than the social. Rural development work was charged to foreign experts to plan, and they planned rural units within feudal areas and built model farms in places where water was not available and diverted all activities to the wrong channels. One major factor was overlooked or neglected: unrest in the feudal areas led to the emigration of peasants to the large cities, causing much confusion to the implementation of the rural development plan. Another reason for the sterility of attempts at rural development was the lack of co-operation among the departments concerned and administration, leading to further confusion and much waste of money.

RURAL PROJECTS IN THE NEW ERA

The Rural Projects Section in the Directorate General of Social Services is co-operating with local administrations to

provide administrations of rural schemes. In addition to supplying these projects with equipment and technicians, the section supervises the training courses which graduate rural guides for work in rural centres and schemes.

The aims of the Rural Development Programme are as follows:

1. Increasing the income of the farmer by raising agricultural and animal production through advice and guidance.
2. Raising the health standard by teaching preventive and treatment methods.
3. Raising the social and educational standard through anti-illiteracy campaigns and audio-visual aids.
4. Child and mother care.
5. Assisting co-operative societies.
6. Developing rural industries and handicrafts.
7. Encouraging and assisting contacts between villages and cities.
8. Providing drinking water.
9. Encouraging the construction of rural houses.
10. Organising various social and entertainment activities.

At present, there are 13 projects under construction in various parts of the country, and studies are under way to draft new regulations, all aiming at various reforms to help the farmer who has now settled in his own small property. The fact that the Agrarian Reform Law gave the farmer security and stability will, no doubt, greatly facilitate the Rural Development Programme undertaken by the Ministry of Social Affairs.

In order to achieve co-ordination and co-operation between the various Ministries and Departments related to rural development, the Board of Social Affairs was formed under the chairmanship of the Minister of Social Affairs and the membership of the Director General of Social Affairs, the Director General of Social Services, the Director General of Health, the Director General of Interior, the Director General of Agriculture, the Director General of the Fourth Technical Section and the Director General of Education.

The Board undertakes the social, economic, agricultural and educational studies of the society and prepares the plans for rural services and works towards raising the standads of technical training, organisation, direction and guidance. The Board meets at least once a month. The most important of the Board's decisions are summarised below:

1. It carefully studied the problem of prostitution, and prepared a new law which was ratified.
2. It gave various recommendations on some important social problems, such as encouraging marriages, and helping youths to fill their spare time.
3. It requested the concerned quarters to go ahead with the zoological and botanical gardens and to plant the shores of Habbaniyah Lake.
4. It studied the subject of nurses and encouraged the establishment of private societies.
5. It agreed upon the principles of the Winter Week in conjunction with charitable organisations, and participated in preparing the Social Relief Law.
6. It studied a proposed bill for social assistance to provide help for the disabled, widows and orphans. A special help for the disabled, widows and orphans. A special committee is now studying the bill, and will submit its recommendations shortly.

SOCIAL ESTABLISHMENT SCHEMES

1. A new home for the blind was completed.
2. A new establishment for juvenile care was completed.
3. On July 14th, 1959, a building for charitable organisation for the care of the homeless. complete wth a school and workshops, was opened.
4. ID. 150,000 was allocated for expansion in the social services programme, including electricity and water schemes, public baths and social centres.
Further expansion schemes are also planned.

SCHEMES FOR IMPROVING DRINKING WATER

Various schemes for well-drilling and water storage facilities were completed in the northern liwas of Mosul, Arbil, Kirkuk and Sulaimaniyah. Water schemes were established in Ramadi, Amara, and Baghdad.

ELECTRICITY FOR IRAQ VILLAGES

Electricity schemes were given great importance and a full account of electricity schemes was previously given under the heading of local development.

So far, a total of seventy-two artesian wells have been drilled, lined and equipped with pumps. All these wells, of course, were fully tested before being used by the public. New designs for concrete water tanks of 10,500 gallons and 3,000 gallons capacity have been submitted for approval. The Directorate General of Rural Services is responsible for operating and maintaining all these wells, pumps, and water tanks.

SCHEMES FOR RURAL INDUSTRIES

Various schemes for establishing rural industries were undertaken by the Directorate General of Rural Industry. A summary of these schemes is given below:

1. DIJAILA SCHEME.

Students are admitted and trained for two years, producing during their training period various types of cotton textiles and furniture. They also undertake the repair of various wooden and metal tools and implements. Recent additions to the factory were a new set of semi-automatic weaving machinery and four machines for blouse manufacture.

2. LATIFIYAH SCHEME

The same as above. Production of this factory includes a variety of wooden and metal implements and furniture and various fabrics and textiles. New additions to the scheme include a light industry factory, a spinning set, blouse-knitting machinery and 11 houses for workers.

3. SHAHAR-ZOOR SCHEME

This scheme produces various textiles. Thirteen houses were built for its workers.

4. TRAINING CENTRE IN BAGHDAD

This is a special centre for the training of girls in dressmaking design and knitting.

NEW PROPOSED PROJECTS

The following projects were allocated for in the 1958 fiscal year:

1. Woollen weaving factory in Hay, Kut Liwa. Allocations: ID. 5,000.
2. Woollen weaving factory and a training centre in Anah.
3. A Goldsmithing scheme in Hindiyah, including a training centre and a laboratory. Allocation: ID. 8,000.
4. The Tikrit scheme, including a small training centre. Allocation: ID. 1,000
5. The Kufa scheme for wool-washing, spinning and weaving and for carpet manufacturing.
6. A workshop and training centre in Najef.

OTHER ACTIVITIES OF THE SECTION

The Section provided technical assistance for a number of establishments for the purpose of training girl and boy students. It also introduced the establishment of training centres financed by the Mutasarifiates of Liwas. These include the Kerbela Scheme comprising a training centre for handloom weaving, semi-automatic loom weaving and blouse knitting, and the Sulaimaniyah training centre.

Financial assistance was provided for a number of institutes or the welfare of the blind, the deaf and dumb, the mentally retarded and orphans.

EDUCATION

The July 14th Revolution was more than a political revolution. It was a radical revolution which blew up the system of rule, ideas, values and philosophies which served and tried to justify the interests of the old regime. Also affected was the educational system which was fully mobilised for the service of the three props of the old regime: imperialism, feudalism and reaction.

Three characteristics were prominent in the old educational system:

1. The system was misdirected to play a destructive role in contaminating the thoughts of the people and limiting their freedom.
2. National patriotic forces were strongest in colleges and and schools, and were therefore closely watched and subjected to all types of oppression. The Police Intelligence Department had spies in all educational institutes and students with free-thinking and liberal ideas were expelled or jailed.
3. Education was isolated from society.

The old regime tried, and partially succeeded, in graduating a class of people with false theoretical education to fit in the feudal society predominant then, making of them government officials tied to their offices and so busy with petty problems that they had no time to feel or care for the interests of the general public. The gulf between this "educated" class and the rest of the community was wider than ever. Much as they tried, however, the rulers of the old regime could not prevent the graduation of another type, a type which was fully conscious of its objectives and aims in life but had no means of fulfilling these objectives, as they were closely watched by the spies of the Police Criminal Investigation Department.

The educational system clearly portrayed the situation during the old regime,where free thought was suppressed and corruption was elevated to suit the aims of degenerate systems.

Examples of the procedure of educational policy in the pre-revolution era are plentiful. History books were manipul-

ated to attribute all the good deeds to the then ruling Hashemite dynasty, and economic books emphasised the importance of Iraq as an agricultural country, and the need to maintain "our inheritance" of the primitive agricultural outlooks. In science, they produced in the young student a dislike for anything practical, concentrating his attention on useless academic theories, which were never remembered after the examination. Social studies fixed in the susceptible minds of youngsters the importance of tribal society, and so on.

Scarce and lame as it is, this education could only be obtained by the few. During the 40 years of the old rule, illiteracy was never lower than 80 per cent., thanks to the crafty designs of the rulers who preferred to see the money find its way to their own pockets rather than being spent on its lawful course of propagating elucation, training and knowledge.

The Revolution did away with all these falsified conceptions of education and rebuilt the educational system on firm well-tried foundations, starting, where it should, by organising all-out anti-illiteracy campaigns in all parts of the country. In this field of primary education, it applied the modern education system of discovering talents and developing capabilities, without neglecting to inject into the mind of the student the pride in Iraq's glorious past and the hope in its promising future.

During his further years of education, the student is offered various stages and types of specialization, thus producing competent people in all fields, such as industry, commerce, agriculture, general education and military services.

The most important feature of this system is that it is available for all. Barriers preventing the poorer classes from obtaining education were removed, and schooling was made free for everybody. Schools, which were scarce in the old regime, are being built to make room for the flood of people who were given, for the first time in their lives, the chance to learn.

Naturally, the introduction of the new system cannot be carried out overnight, but great efforts are being made to overcome all difficulties. For example, there are not enough schools to take the flood of new students before the completion of the new buildings. To overcome this, the Ministry of Education introduced the system of double shifts as a tem-

porary measure, which, in effect, doubled the number of schools overnight. Also there were not enough teachers to participate in the large scale anti-illiteracy campaign. The Teacher's Union, therefore, submitted a practical project for getting all social organisations to participate in the campaign; as a result, enough volunteers were recruited and it is hoped that illiteracy will be wiped out within a few years.

As a result of this policy, 129,000 students were admitted to the various stages of education. The magnitude of the educational revolution is clearly shown by the fact that the number of sudents jumped to 653,000 in one year, while it was never higher than 524,000 during any year of the old regime. The same can be said for teachers. The number of teachers never rose above 17,627 during the old regime, while it jumped to 21,326 during the 1957-1958 academic year, and it was planned so that the figure could be increased.

Schools also increased and the following comparison is of interest:

Type of Schools	Number 1957-1958	Number 1957-1958
Intermediate and Secondary, Private and Government	244	326
Vocational	34	57
Teachers Training and Teachers Courses	46	65

It is clearly seen from the above to what extent vocational and industrial schools were neglected, which illustrates the attempts of the old regime to isolate the student from practical life and to make of him a useless theoretician. Also seen is the new policy of the Government of the Revolution which aims at making theoretical studies go side by side with practical technical studies. This is of prime importance, as Iraq now is on the threshold of an economic revolution which will require large numbers of engineers and skilled workers.

The Ministry of Education aims at narrowing the gap between the educated and the workers and peasants by giving

students more practical training, and giving the workers and peasants theoretical education in evening classes. It is hoped that a workshop and an experimental farm will be attached to every school in the country, and a schooling department attached to every factory and farm.

In achieving this, the allocations for the Ministry of Education for the 1959-1960 fiscal year were increased by about ID. 7 million, plus ID. 3.5 million set aside for a long-term programme of school construction. This means that the Ministry's budget was increased by 100 per cent. in one year, reflecting the great concern of the Government of the Revolution in education. The aim is to make education compulsory, free and available for all, and to provide boarding accommodation for as many students as possible.

In view of all these reforms, a new regulation for the Ministry of Education was legislated, creating two Directorates General, one for Cultural Relations and the other for Kurdish Educational Affairs. The creation of the Directorate General of Cultural Relations became a necessity after many cultural agreements were concluded with friendly countries. The new Directorate General includes the Directorates of Missions, Relations, Propaganda and Translation. The Directorate General of Kurdish Educational Affairs will take care of the cultural affairs of the Kurds in the North, who have become equal partners with the Arabs.

Various committees were formed to review the syllabuses and to prepare new text books consistent with the educational policy.

The Ministry of Education allowed the formation of a Teachers Union, which has a membership of over 20,000 and a Students Union. Both these Unions played their full part in fulfilling the objectives of the Ministry of Education.

GLOSSARY

Below is the explanation of some Arabic words for which no exact English equivalents exist. The words are arranged according to their alphabetical order.

Barazanis:	A Kurdish tribe that inhabits some northern areas of Iraq.
Donum:	A measure of area equivalent to 2,500 square metres.
I'asha:	The Directorate General of I'asha is responsible for the distribution of subsadised flour to certain bakeries in the poorer parts of cities, towns and villages.
I.D. (Iraqi Dinar):	An Iraqi currency equivalent to one pound Sterling.
Kadha:	An administrative division within the Liwa.
Liwa:	An administrative division. Iraq is divided to 14 Liwas.
Meshara:	The same as donum.
Miri:	State. Miri-land is State-owned land.
Mutasarif:	The administrative head of a Liwa.
Nahiyah:	An administrative divison within the Kadha.
Sarifa:	A mud-house.
Taswiyah:	The Law of Taswiyah or settlement is the legislation according to whose ruling the boundaries of estates are fixed and disputes are settled.
Turkmans:	The Turkish settlers in Iraq, numbering about half a million.

INDEX

	Page.
Introduction	5
The Army	11
The Army In the Service of the People	12
Recruiting and Enlisting In the Army	13
Armament and Equipment	14
Training and Education in the Army	15
Development and Housing in the Army	15
Health and Medical Treatment in the Army	17
Laws and Regulations in the Army	18
The Change-over from an Economy Subjected to Imperialism and Feudalism To a National Economy Heading Towards Prosperity and Liberation	19
Agriculture and Agrarian Reform	22
Industry and Industrialisation	32
The Oil Policy	49
The Trade Policy	56
The Fiscal Policy	62
Communications	72
Construction and Housing	74
Local Development	76
Economic Planning	79
The Economic Organisation	88
The Political Life	92
Social and Cultural Life	106
Labour and Social Affairs	110
Education	123
Glossary	

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